



# County of Los Angeles CHIEF EXECUTIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION  
LOS ANGELES, CALIFORNIA 90012  
(213) 974-1101  
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA  
Chief Executive Officer

March 5, 2008

To: Supervisor Yvonne B. Burke, Chair  
Supervisor Gloria Molina  
Supervisor Zev Yaroslavsky  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

From: William T Fujioka  
Chief Executive Officer

Board of Supervisors  
GLORIA MOLINA  
First District

YVONNE B. BURKE  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

## **CHIEF EXECUTIVE OFFICE RISK MANAGEMENT ANNUAL REPORT, FISCAL YEAR ENDED JUNE 30, 2007**

The attached *Chief Executive Office Risk Management Annual Report, Fiscal Year Ended June 30, 2007*, is the Chief Executive Office's (CEO) fourth annual risk management report. The report:

- Summarizes the past three fiscal year losses and costs for the County of Los Angeles' (County) vehicle liability, general liability, medical malpractice, workers' compensation, and salary continuation/State of California Labor Code 4850 exposures;
- Assists departments to recognize the nature and extent of their losses;
- Facilitates departments' efforts to strengthen their loss control and prevention activities and Corrective Action Plans; and,
- Provides the County's Cost of Risk that compares the Countywide cost of losses and expenses to the County's operating budget.

As contained in the report, the County's Fiscal Year (FY) 2006-07 Cost of Risk was calculated at \$436,815,571 or 2.15 percent of the County's \$20,318,258,000 operating budget.

In FY 2006-07, the County's risk management programs experienced a number of successes:

- A 16 percent decrease (\$55 million) from the budgeted \$335 million for Workers' Compensation Trust Fund (WCTF) expenses to the actual paid expenses of \$280 million for FY 2006-07.
- A modest 6 percent increase (\$17 million) in WCTF paid expenses from FY 2005-06 (\$263 million) to FY 2006-07 (\$280 million).
- A 4 percent decrease in the number of workers' compensation claims filed from FY 2005-06 (10,468) to FY 2006-07 (10,019).
- A 5 percent decrease in the number of new liability claims and lawsuits filed from FY 2005-06 (4,333) to FY 2006-07 (4,102).
- A 36 percent decrease in the workers' compensation estimated outstanding losses from June 30, 2005 (\$3,531,166,169) to June 30, 2007 (\$2,262,596,742).

### **Countywide Risk Management Program**

Given the importance of this issue, Risk Management and Loss Prevention will become a MAPP goal for 2008-09. Support from all County Department Heads for risk management activities is essential to minimize each department's Cost of Risk. Department Heads have demonstrated commitment by naming a departmental Risk Management Coordinator, supporting safety and return-to-work functions, and requiring staff to participate in workers' compensation and tort liability claim review meetings and roundtables. That effort is appreciated and is contributing to improvements in the Countywide risk management program and results.

Continued support from each Department Head is needed to further enhance the County's risk management program. Enhancing an aggressive loss control and prevention program requires each department to identify their primary Costs of Risk through an evaluation of business operations, completion of thorough accident investigations and reviews, a review of loss data, and selection and implementation of methodologies to address their identified Costs of Risk. The CEO provides support for these efforts by consulting with department staff, providing recommendations based on best practices and assisting with their implementation, and by providing training concerning risk management, safety, and return-to-work subjects.

Each Supervisor  
February 26, 2008  
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Workers' compensation loss data is available through the County's workers' compensation database, GenComp, which the CEO made accessible to each department. Tort liability loss data can be obtained by submitting a request to the CEO or County Counsel.

Included in this report is claim data for the first six months of FY 2007-08.

If you have any questions, please contact me or Rocky A. Armfield, County Risk Manager, at (213) 351-5346.

WTF:ES  
RAA:SEN:cr

Attachment

c: Executive Officer, Board of Supervisors  
County Counsel  
Each Department Head

# Chief Executive Office Risk Management Annual Report

Fiscal Year Ended June 30, 2007



County of Los Angeles, California

We are proud to present the *County of Los Angeles Chief Executive Office, Risk Management Branch Annual Report for Fiscal Year ending June 30, 2007.*

Your questions or suggestions concerning this annual report would be appreciated.

Thank you

County of Los Angeles  
Chief Executive Office  
Risk Management Branch  
3333 Wilshire Blvd., Suite 820  
Los Angeles, CA 90010  
(213) 351-5346  
(213) 252-0405 Fax



William T Fujioka  
Chief Executive Officer



This report is available on our website at <http://ceo.lacounty.gov>.



## EXECUTIVE SUMMARY

The County of Los Angeles Chief Executive Office (CEO) is pleased to provide its risk management annual report for Fiscal Year (FY) July 1, 2006 through June 30, 2007.

The report contains summaries of the fiscal year's losses and costs for the County of Los Angeles (County) workers' compensation, vehicle liability, general liability, and medical malpractice self-insured programs. This report is intended to assist departments with the assessment of the nature and extent of departmental exposures and losses, and enhancement of effective loss control and prevention programs to mitigate those losses.

On June 30, 2007, the CEO Risk Management Branch (CEO/RMB) completed its fifth year administering the County's risk management program.

## MISSION AND STRUCTURE

The CEO/RMB mission is:

**To evaluate significant Countywide risks, hazards, and exposures; develop and implement risk management methodologies to fund, minimize or eliminate loss; and, advise the Board of Supervisors and departments of risk control strategies to mitigate unanticipated financial losses.**

The CEO/RMB's vision is:

**To be recognized as the leader in risk management for the State of California public entities; and, to be relied upon for a Countywide risk management philosophy, standards, processes, and direction.**

CEO/RMB's primary risk management responsibilities include:

- Risk consulting;
- Self-insurance or purchased insurance above self-insured retentions;
- Management and financing of the County's Workers' Compensation Trust Fund (WCTF);
- Oversight of the Contract Cities and Special Districts Liability Trust Funds;
- Administration and monitoring third party administrators' (TPA) adjusting of workers' compensation and tort liability claims, including vehicle, general, employment practices, and medical malpractice liability claims;

- Loss prevention training, reporting, standards, procedures, and compliance;
- Loss control and industrial hygiene programs;
- Contractual indemnification and insurance requirement language review;
- Administration of the County’s Occupational Health Program, including employee medical and psychological programs and the Employee Assistance Program;
- Administration of the County’s Short-Term Disability and Long-Term Disability Plans; and,
- Administration of the County’s Return-to-Work Program.

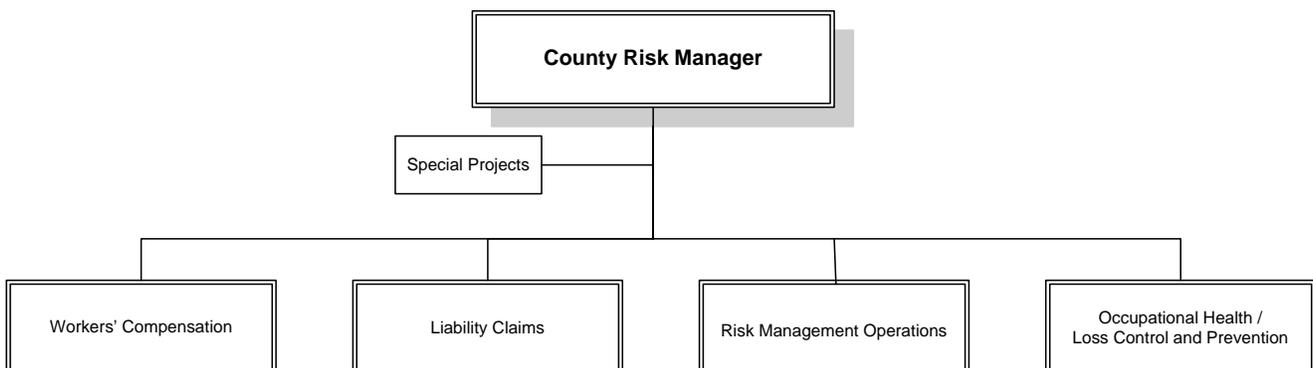
CEO/RMB comprises four operational areas:

1. Workers’ Compensation
  - Workers’ Compensation Claims
  - Return-to-Work
  - Medical Management and Cost Containment
2. Liability Claims
  - Liability Claims
  - Risk Management Inspector General
3. Risk Management Operations
  - Risk Management Operations
  - Disability Management
4. Occupational Health / Loss Control and Prevention
  - Occupational Health Programs
  - Loss Control and Prevention

Each operational area and their subsections are presented in this report. CEO/RMB staff strive to accomplish the CEO’s mission with direction from the County’s Board of Supervisors and CEO senior management, and assistance of County departments, the CEO Risk Management Advisory Committee, and County Counsel.

Figure 1: CEO/RMB organization chart

**CEO Risk Management Branch Organization Chart**



## FISCAL YEAR 2006-07 RESULTS

During FY 2006-07, the County continued to experience decreases in claim frequency and only moderate growth in the total Cost of Risk. Workers' compensation claims per 100 employees have decreased 20% from 12.94 in FY 2002-03 to 10.36 in FY 2006-07. Increases in workers' compensation expenses were anticipated following significant reductions in prior years. Increases in liability expenses were partially a result of several significant claim judgements and settlements.

CEO staff continue to participate in efforts to minimize the erosion of gains made through workers' compensation legislative reforms. Reforms which were passed in the last few years included a medical fee schedule, medical utilization review, independent medical review, repeal of the treating physician presumption, and the creation of medical provider networks.

### **FY 2006-07 Accomplishments**

- A 16% decrease (\$55 million) from the budgeted \$335 million for WCTF expenses to the actual paid expenses of \$280 million for FY 2006-07.
- A modest 6% increase (\$17 million) in WCTF paid expenses from FY 2005-06 (\$263 million) to FY 2006-07 (\$280 million).
- A 4% decrease in the number of workers' compensation claims filed from FY 2005-06 (10,468) to FY 2006-07 (10,019).
- A 5% decrease in the number of new liability claims and lawsuits filed from FY 2005-06 (4,333) to FY 2006-07 (4,102).
- A 36% decrease in the workers' compensation estimated outstanding losses from June 30, 2005 (\$3,531,166,169) to June 30, 2007 (\$2,262,596,742).

### **FY 2007-08 Objectives**

- Assist departments to implement recommendations to improve departmental risk management efforts.
- Continue to work closely with County representatives in Sacramento to minimize the erosion of legislative gains obtained through the State of California (State) workers' compensation reforms; and, make additional legislative recommendations relating to workers' compensation or service connected disability retirements as warranted.
- Minimize the County's Cost of Risk.

## ACTUARIAL RESULTS

The annual actuarial study of the County’s self-insured Workers’ Compensation Program includes a projection of the estimated outstanding losses (the cost of unpaid claims). These losses include claim reserves and incurred but not reported claims.

As a result of legislative changes, including State Assembly Bill 227 and Senate Bills 228 and 899, and improvements in the County’s risk management programs, the County experienced a significant decrease, \$1,268,569,427 (36%), in its estimated outstanding losses between June 30, 2005 and June 30, 2007.

Table 1: Comparison of estimated outstanding losses

|                                          | As of<br>June 30, 2005 | As of<br>June 30, 2006 | As of<br>June 30, 2007 |
|------------------------------------------|------------------------|------------------------|------------------------|
| Estimated outstanding losses             | \$2,556,222,203        | \$2,435,203,729        | \$2,262,596,742        |
| Projected ultimate losses for FY 2005-06 | \$473,392,311          | Included above         | Included above         |
| Projected ultimate losses for FY 2006-07 | \$501,551,655          | \$424,918,858          | Included above         |
| <b>Total<sup>1</sup></b>                 | <b>\$3,531,166,169</b> | <b>\$2,860,122,587</b> | <b>\$2,262,596,742</b> |

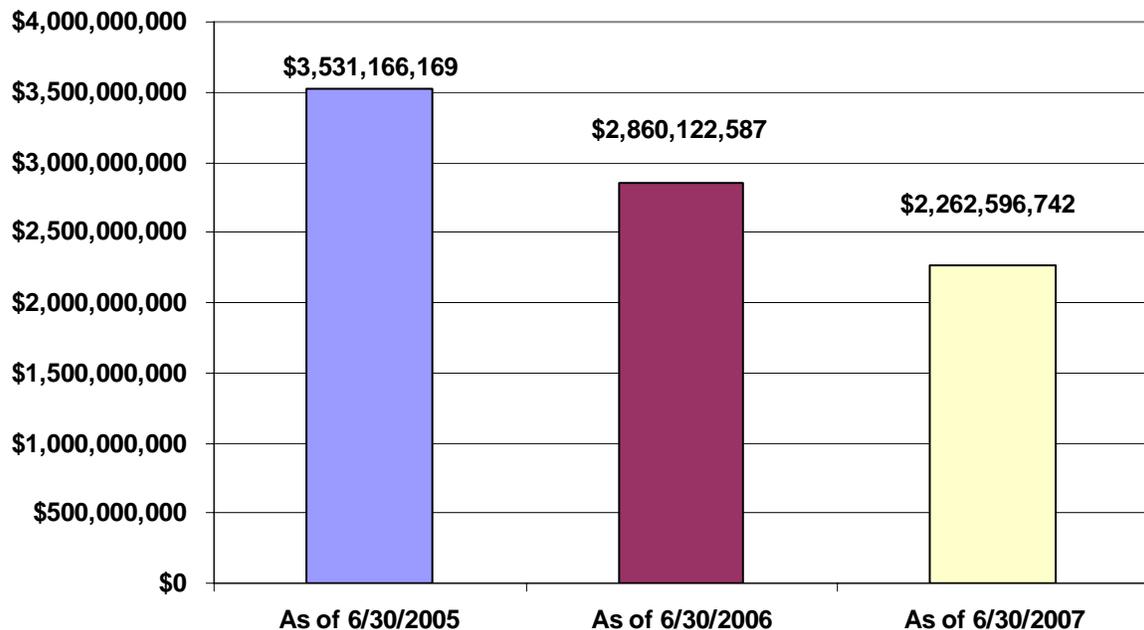
Source: ARM Tech

Note:

1. Includes State of California Labor Code 4850 expense and salary continuation expense.

Figure 2: Projected ultimate workers’ compensation losses

### County of Los Angeles Projected Ultimate Workers’ Compensation Losses



## COST OF RISK

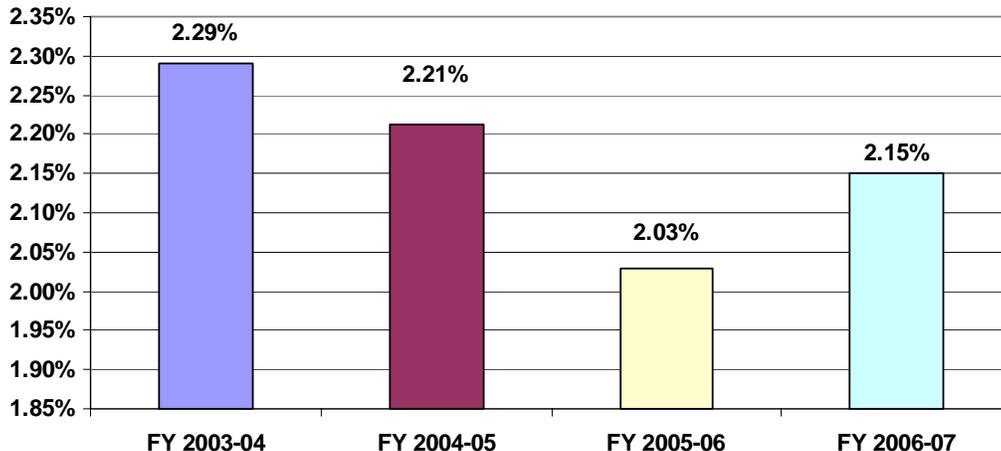
The Cost of Risk is a comparison of the County’s expenditures for the County’s numerous risk management programs to the County’s operating budget in a specific fiscal year. The effectiveness of the County’s risk management programs can be reflected in this comparison since the Cost of Risk includes paid claims (amounts paid in the fiscal year without regard to the year the claims arose), insurance premiums, safety and loss control programs, and operational and administrative expense. The County’s Cost of Risk is outlined in Table 3 and the Cost of Risk as a percentage of County operating budget is illustrated in Figure 3. Note that department payroll expenses for workers’ compensation (salary continuation and State Labor Code 4850) have been included for the first time in this report. The Cost of Risk is presented with and without salary continuation and Labor Code 4850 expenses.

**The County’s objective is to minimize the Cost of Risk.**

Following an 8% decrease in the Cost of Risk from FY 2004-05 (2.21%) to FY 2005-06 (2.03%), the Cost of Risk increased 6% from FY 2005-06 to FY 2006-07 (2.15%). Seven categories of expense contributed to this increase, including increases in tort liability claim expense, legal expense, and administrative expense. See Table 2 for additional information. The increase in tort liability claim expense was impacted by a small number of large-dollar claim settlements.

Figure 3: Cost of Risk<sup>1</sup> as a percentage of County operating budget

**County of Los Angeles Cost of Risk as a Percentage of County Operating Budget  
FY 2003-04 through FY 2006-07  
(includes salary continuation and Labor Code 4850)**



Note:

1. Cost of Risk is the total of: (1) Claims and premiums, and (2) other costs, as stated in the Cost of Risk table (Annual Report, Executive Summary).

Figure 4: County fiscal year comparison of total Cost of Risk, regardless of date of occurrence

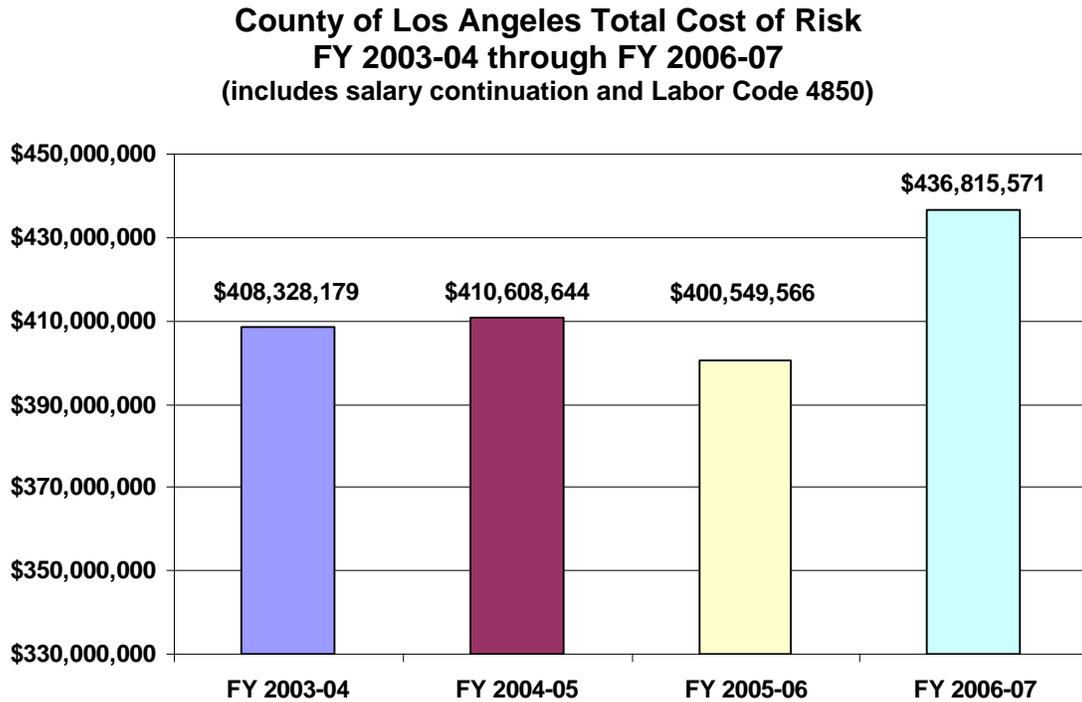


Table 2: Explanation of increases in the Cost of Risk

| Expense Category             | Percent Increase | Paid Cost Increase | Comment                                                                                                                                                                                 |
|------------------------------|------------------|--------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Vehicle liability claims     | 74%              | \$3.3 million      | The five largest payments totaled \$4.7 million in FY 2006-07 compared to \$1.9 million in FY 2005-06.                                                                                  |
| General liability claims     | 22%              | \$4.5 million      | The five largest payments totaled \$10.2 million in FY 2006-07 compared to \$7.3 million in FY 2005-06.                                                                                 |
| Medical malpractice claims   | 55%              | \$4.9 million      | The five largest payments totaled \$8.4 million in FY 2006-07 compared to \$4.7 million in FY 2005-06.                                                                                  |
| Workers' compensation claims | 2%               | \$4.8 million      | This was a nominal percentage increase.                                                                                                                                                 |
| Legal                        | 18%              | \$7.9 million      | Legal expense includes County Counsel and contract law firm costs for the workers' compensation program and tort liability programs.                                                    |
| Claim administration fees    | 7%               | \$1.9 million      | Increase in claim administration fees impacted by renewal expense of new third party administrator contracts.                                                                           |
| Administrative               | 30%              | \$8.3 million      | Increase in administrative expense impacted by the expenses recorded under medical management contracts and the State workers' compensation user fee charged to self-insured employers. |

Table 3: Cost of Risk detail

|                                                                               | <b>FY 2004-05</b>       | <b>FY 2005-06</b>       | <b>FY 2006-07</b>       |
|-------------------------------------------------------------------------------|-------------------------|-------------------------|-------------------------|
| <b>Claims and Premiums</b>                                                    |                         |                         |                         |
| Vehicle Liability <sup>1,2</sup>                                              | \$5,171,231             | \$4,369,278             | \$7,597,352             |
| General Liability <sup>1</sup>                                                | \$11,198,875            | \$20,199,020            | \$24,684,607            |
| Medical Malpractice <sup>1</sup>                                              | \$9,967,836             | \$9,039,691             | \$13,970,042            |
| Workers' Compensation                                                         | \$213,614,145           | \$207,621,048           | \$212,436,522           |
| Salary Continuation/Labor Code 4850                                           | \$49,394,293            | \$42,256,919            | \$43,007,829            |
| Property Insurance Premiums <sup>3</sup>                                      | \$12,209,867            | \$12,668,683            | \$13,915,100            |
| Other Insurance Premiums <sup>3</sup>                                         | \$4,428,482             | \$4,797,001             | \$3,527,123             |
| <b>Subtotal</b>                                                               | <b>\$305,984,729</b>    | <b>\$300,951,640</b>    | <b>\$319,138,575</b>    |
| <b>Other Costs</b>                                                            |                         |                         |                         |
| Legal Expenses <sup>1,4</sup>                                                 | \$50,275,705            | \$44,553,181            | \$52,445,240            |
| Broker Fees <sup>1,3</sup>                                                    | \$662,589               | \$500,000               | \$500,000               |
| Consulting and Management Fees <sup>1,5</sup>                                 | \$192,227               | \$117,504               | \$98,123                |
| Claims Administration Fees <sup>3,5</sup>                                     | \$25,715,149            | \$26,436,059            | \$28,380,373            |
| Administrative <sup>3,6</sup>                                                 | \$27,778,245            | \$27,991,182            | \$36,253,260            |
| <b>Subtotal</b>                                                               | <b>\$104,623,915</b>    | <b>\$99,597,926</b>     | <b>\$117,676,996</b>    |
| <b>COST OF RISK<sup>7</sup></b>                                               | <b>\$410,608,644</b>    | <b>\$400,549,566</b>    | <b>\$436,815,571</b>    |
| <b>COST OF RISK<sup>7</sup> (without Salary Continuation/Labor Code 4850)</b> | <b>\$361,214,351</b>    | <b>\$358,292,647</b>    | <b>\$393,807,742</b>    |
| Total County Operating Budget                                                 | <b>\$18,558,309,000</b> | <b>\$19,737,226,000</b> | <b>\$20,318,258,000</b> |
| <b>COST OF RISK (as Percentage of County Operating Budget)</b>                | <b>2.21%</b>            | <b>2.03%</b>            | <b>2.15%</b>            |
| <b>COST OF RISK (without Salary Continuation/Labor Code 4850)</b>             | <b>1.95%</b>            | <b>1.82%</b>            | <b>1.94%</b>            |

Notes:

1. Paid claims represents the amount paid for all indemnity (pay type OC) in the fiscal year regardless of occurrence date and does not include Reported But Not Paid (RBNP) or Incurred But Not Reported (IBNR) reserves. Payments include CEO/RMB Insurance Budget and County Counsel Judgment and Damages Budget.
2. Vehicle Liability claim cost figures do not include non-insured property loss and non-third party vehicle loss, which are directly paid by each department.
3. Reflects expenditures funded from only the Insurance Budget and does not include expenditures from the Judgment and Damages Budget.
4. Legal Expenses are defined in liability files as all fees and expenses paid from the liability claim (pay type SS). Legal expenses are defined in workers' compensation as all contract and County Counsel fees (pay category 53). Legal expenses are the sum of pay type SS and pay category 53.
5. Amount is the sum of the Insurance Budget expense for TPA adjusting services and the WCTF expense for TPA adjusting services. Does not include cost for other CEO/RMB functions (i.e. Loss Control and Prevention and Occupational Health Programs).
6. Amount is the sum of administrative support cost (i.e. computer system, CEO/RMB costs) for liability program and all of the administration costs not included in legal expenses, TPA adjusting expenses, and net benefit expense (i.e. investigation expenditures, computer costs); administrative workers' compensation costs are reported in the WCTF report.
7. Total Cost of Risk does not include non-insured property claims and County-owned vehicle claims.
8. All amounts are paid as of June 30, 2007, as reported in the County's liability Risk Management Information System (RMIS), workers' compensation information system (GenIRIS), and/or the WCTF Cash Balance Report.
9. RMIS information included in this report is: (1) claims coded as Vehicle Liability (AL), General Liability (GL), and Medical Malpractice (MM); but, (2) information excludes Metropolitan Transportation Authority, Metrolink, departments not listed in Exhibit B, Children Service dependency cases, and probate funding accounts.

## DEPARTMENTAL RECOMMENDATIONS

### **Workers' Compensation**

- Attend regularly scheduled claim reviews with the third party administrator (TPA) administering the department's workers' compensation claims.
- Develop the capability to generate open workers' compensation claim reports identifying the department's most costly claims.

### **Return-to-Work**

- Attend regularly scheduled claim reviews with the TPA administering the department's workers' compensation claims.
- Identify all injured workers receiving temporary disability or vocational rehabilitation maintenance allowance benefits (long term workers' compensation disability benefits) and monitor case status to comply with return-to-work recommendations.
- Implement and maintain an electronic system to track employees on disability leave.
- Develop close working relationships with medical treatment centers providing initial care to injured workers to ensure early-return-to-work availability is communicated.

### **Liability Claims**

- Periodically obtain and review relevant RMIS data for the department. Information should provide management with an understanding of the claim types, associated cost, and progress toward resolution.
- Participate in periodic claim reviews wherein overall claim/lawsuit status, funding/cost, and other claim/lawsuit-specific information is discussed.
- Consider assigning responsibility for coordination of the liability claims management process to the Risk Management Coordinator.
- Conduct a comprehensive evaluation of the various types of liability claims (vehicle liability, general liability, medical malpractice, property, first party claims, employee permittee driver, etc.); and, gain an understanding of exposure, risks, and departmental costs related to the entire spectrum of claims.

### **Risk Management Inspector General**

- Review all existing open Corrective Action Plans (CAP) for compliance, closure and effectiveness.
- Develop an internal CAP assessment process to verify implemented corrective actions accomplished required organizational objectives.
- Risk Management Coordinators should work with CEO Risk Management and departmental safety staff to draft and implement proactive loss prevention steps based on completed CAPs.
- Risk Management Coordinators and other appropriate staff should attend CAP training, and participate in the development, review, and auditing of CAPs.

### **Risk Management Operations**

- Participate in the development of the County Insurance Budget concerning departmental budgets.
- Work closely with CEO staff to maximize insurance benefits provided under the County's commercial property and casualty insurance programs.
- Participate in CEO contractual risk management/insurance training for departmental contract analysts and monitors.

### **Disability Management**

- Designate a department employee and a back-up to function as the departmental Short-Term Disability (STD) and/or Long-Term Disability (LTD) Coordinator to interact with the CEO's STD and LTD monitor on a regular basis to resolve claim issues.
- Participate in the STD, LTD, and Survivor Benefit training offered by the CEO.
- Respond timely to informational requests from the County's TPA to expedite the claims processing time and avoid any unnecessary termination of benefits.

### **Occupational Health Programs**

- Ensure that medical examinations are scheduled with sufficient time before the applicant is expected to start employment.
- Evaluate the effectiveness of hiring applicants on a conditional basis subject to the applicant passing the medical examination.
- Evaluate periodic employee medical examinations for direct relevancy for the employee's job tasks and only schedule those employees exposed. Evaluate job tasks to determine if additional testing is required for any employee not currently being tested on a periodic basis.
- Take necessary steps, including interactive meetings with employees, prior to requesting medical and/or psychological re-examinations.
- Provide CEO feedback relating to medical standards applied to applicants.

### **Loss Control and Prevention**

- Ensure adequate staffing is provided to focus on loss control and prevention issues.
- Implement recommendations contained in the department's CEO Risk and Needs Assessments.
- Ensure that basic elements of the injury and illness prevention program (program and facility evaluations, accident investigation, and training) are implemented throughout the department.
- Work in conjunction with CEO to identify cost driver issues and develop action plans to address root causes of problems.

## RISK MANAGEMENT ADVISORY COMMITTEE

CEO thanks the CEO Risk Management Advisory Committee (RMAC) for its efforts during the past year. The RMAC meets quarterly to receive updates on County risk management issues and to provide advice and guidance. The RMAC includes representatives appointed by the Board of Supervisors and the CEO.

**First District: Supervisor Molina**

Gary A. Bacio  
Law Offices of Gary Bacio

**Second District: Supervisor Burke**

Jesse B. Johnson, Jr.  
City of Long Beach

**Third District: Supervisor Yaroslavsky**

Diann P. Corral

**Fourth District: Supervisor Knabe**

Vacant

**Fifth District: Supervisor Antonovich**

Gavin Hachiya Wasserman  
Wasserman & Wasserman, LLP

**CEO Appointee**

Fay Feeney  
Envision Strategic Group

**CEO Appointee**

Karen D. Oxman  
GNW-Evergreen Insurance Services, LLC

**CEO Appointee**

Roger B. Plotkin  
Beckman Coulter, Inc.

**CEO Appointee**

Roland R. Sarlot  
Sarlot and Rhein



# RISK MANAGEMENT BRANCH FUNCTIONS

- a. Workers' Compensation Claims
- b. Return-to-Work
- c. Medical Management and Cost Containment
- d. Liability Claims
- e. Risk Management Inspector General
- f. Risk Management Operations
- g. Disability Management
- h. Occupational Health Programs
- i. Loss Control and Prevention



## WORKERS' COMPENSATION

The County's self-insured Workers' Compensation Claim Administration Program is the largest of any local governmental entity in California, and is responsible for securing statutory workers' compensation protection for approximately 100,000 employees and the administration of approximately 24,000 open workers' compensation claims. In addition, approximately 10,000 new claims are reported annually. Three workers' compensation claim third party administrators (TPAs) adjust the County's workers' compensation claims. Experienced County staff in the CEO Workers' Compensation Claim Management Unit (CEO/WCCU) provides on-site monitoring of the claim services of each TPA. County Counsel staff and contracted workers' compensation defense attorneys provide legal services.

The mission of CEO/WCCU is:

**To comply with all legal mandates related to the Workers' Compensation Program at the least possible cost to the County.**

**To respond to County departments' needs that arise from the costs and risks associated with workers' compensation claim liabilities.**

**To assist injured workers in the fair, equitable, and expeditious resolution of workers' compensation claim issues.**

### **FY 2006-07 Accomplishments**

- Closely collaborated with TPAs, County departments, and County Counsel in applying the significant workers' compensation reforms that became effective in Calendar Year 2004. These State of California (State) workers' compensation system reforms offered administrative efficiency and cost containment. As a result of the successful implementation of these reforms, the County's workers' compensation program has experienced expense stabilization and a significant reduction in estimated outstanding losses.
- Continued to work with a coalition of public and private employers and the insurance industry in monitoring and recommending regulatory changes to accomplish reform in a balanced, efficient, non-litigious manner.
- Continued to emphasize claim handling protocols that cultivate evidence-based claim administration and improve communication between workers' compensation TPAs and County departments. In FY 2006-07, CEO monitors attended more than 100 claim reviews and litigation roundtables.
- In collaboration with CEO Return-to-Work (CEO/RTW) and County departments, communication between the departments and TPAs was enhanced, resulting in the annual amount of salary continuation and Labor Code 4850 expenses being reduced by 12.5% from FY 2004-05 (\$48.9 million) to FY 2006-07 (\$42.8 million).

- In collaboration with CEO Risk Management Operations and CEO Information Technology Services (CEO/ITS), CEO/WCCU directed and managed the upgrade and enhancement of the workers' compensation claims information system (WCIS). The WCIS transition occurred on schedule with no delay in the provision of benefits and with no cost overruns. This upgrade enhanced communication between TPAs, CEO, and County departments.
- Concurrent with the WCIS upgrade, CEO implemented workflow improvements and process controls that promote the separation of duties.

**FY 2007-08 Objectives**

- Continue to implement evidence-based claim handling protocols.
- Continue to promote collaboration with TPAs, County Counsel, County departments, and CEO/RTW to improve workers' compensation claim outcomes.
- In collaboration with CEO/ITS and CEO/RTW, develop a production report that trends the utilization of workers' compensation time-off benefits (by department) and identifies each injured worker receiving such benefit (by department).
- In collaboration with CEO/RTW, distribute workers' compensation time-off reports to all departments with the specific recommendation that departments follow current RTW policies and procedures.
- Continue to assist and collaborate with the County of Los Angeles District Attorney's Workers' Compensation Division and other investigative agencies to deter, detect, and prosecute all types of workers' compensation fraud.
- Investigate whether pattern recognition software and other technologies can be utilized, in a fiscally responsible manner, to detect fraudulent workers' compensation billing.
- Explore the cost and effectiveness of reducing current workers' compensation caseloads from 175 claims per TPA examiner to 150 or 125 per TPA examiner.

Figure 5: Workers' compensation claim inventory

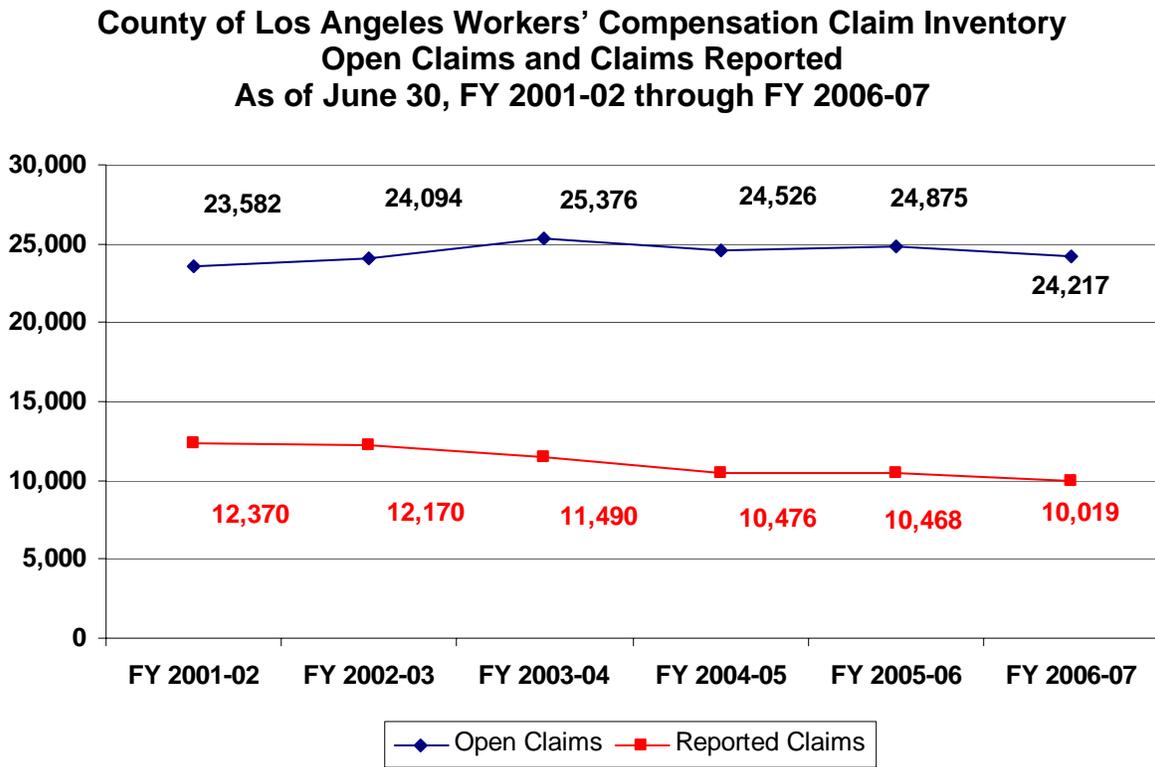
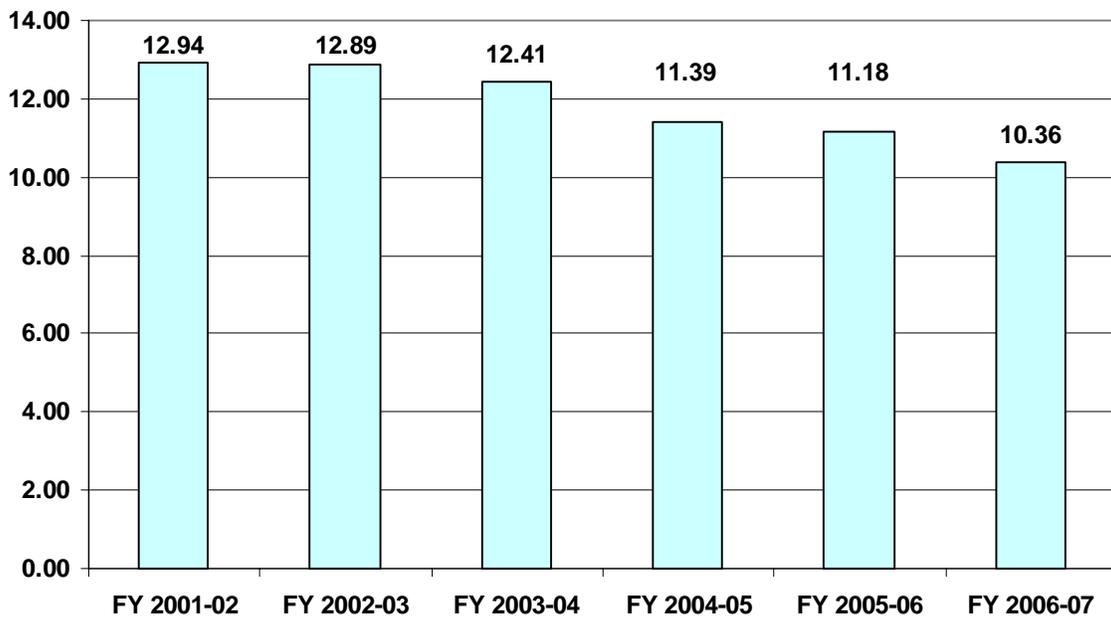


Figure 6: Workers' compensation claim frequency per 100 employees

### County of Los Angeles Workers' Compensation Claim Frequency per 100 Employees<sup>1</sup> FY 2001-02 through FY 2006-07



Note:

1. Employee count is based on payroll reports as of 12/31 each fiscal year.

Figure 7: Workers' Compensation Trust Fund budgeted vs. actual paid cost

**County of Los Angeles Workers' Compensation Trust Fund Budgeted vs. Actual Paid  
FY 2001-02 through FY 2006-07**

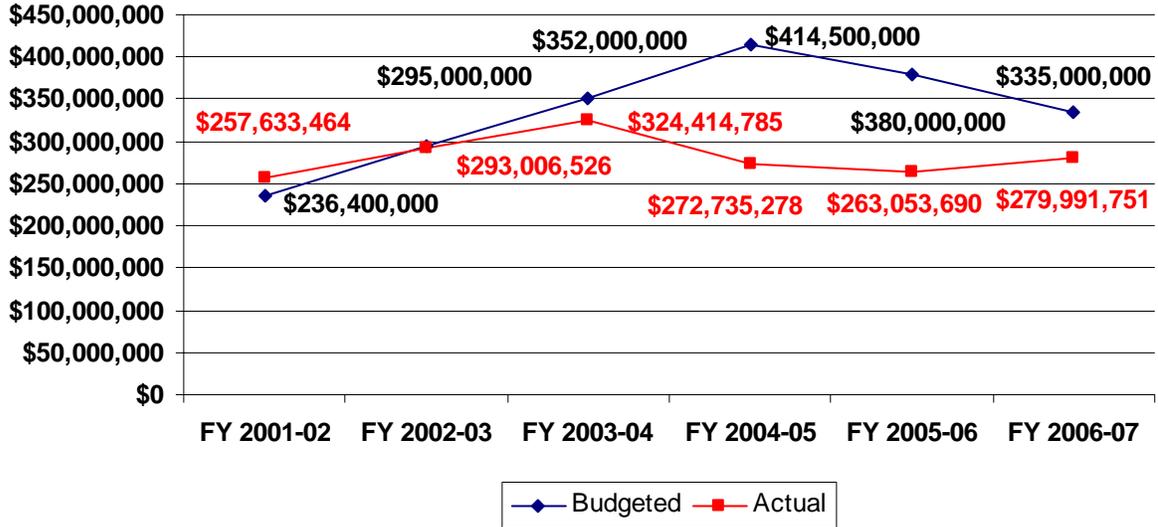
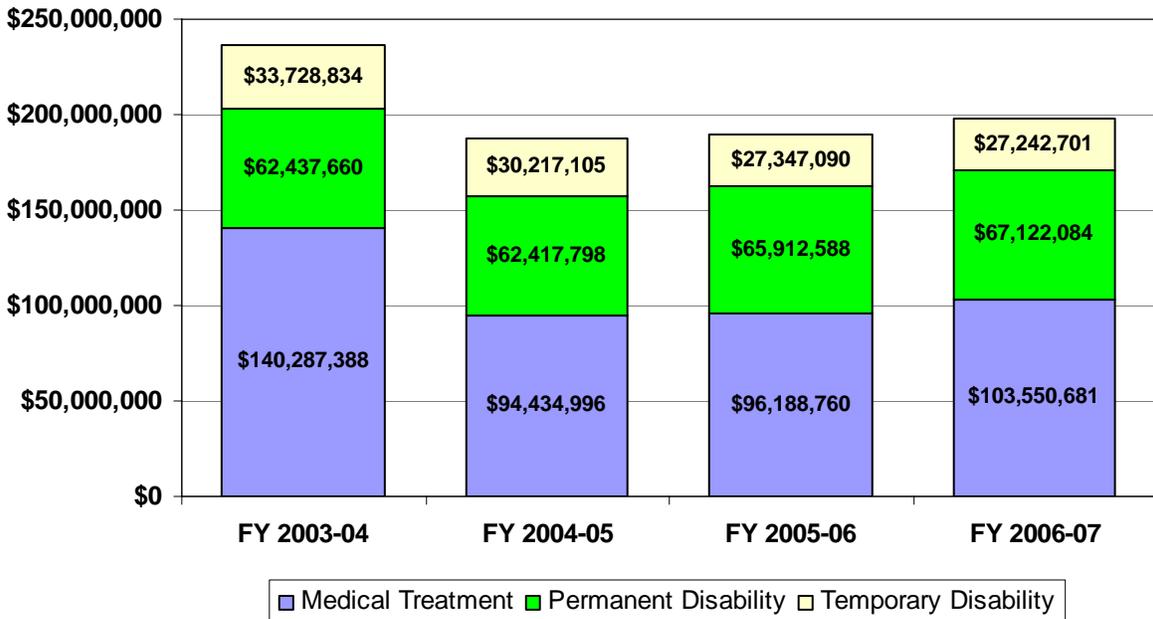


Figure 8: Pay Categories Report cost comparison

**County of Los Angeles Workers' Compensation Pay Categories Report  
FY 2003-04 through FY 2006-07**



Source:  
 Medical Treatment is sum of Pay Category 00 and 10; Permanent Disability is Pay Category 21; Temporary Disability is Pay Category 20.

## RETURN-TO-WORK

The County's Return-to-Work (RTW) program is intended to minimize the financial and human costs of work-related injuries by returning employees to work quickly and safely after industrial accidents. The program is also intended to ensure the provision of reasonable accommodations for disabled employees as required by the Fair Employment and Housing Act. To assist County departments with the implementation of the RTW program, the CEO Return-to-Work Unit (CEO/RTW) provides training, consultative services, and model policies/procedures.

### **FY 2006-07 Accomplishments**

- Conducted seven professional development seminars for RTW coordinators. The seminars addressed topics including workers' compensation, the Fair Employment and Housing Act, and the Family Medical Leave Act.
- Conducted *RTW 101*, an 18-hour introductory course, for 41 departmental RTW coordinators. The course provides a fundamental understanding of the County's RTW program and the responsibilities of County RTW coordinators.
- Conducted 22 RTW training sessions for departmental supervisors. The training sessions provide supervisors, who are the front line of the RTW program, with an understanding of RTW duties including the coordination of light-duty assignments, completion of RTW paperwork, and the identification/implementation of reasonable accommodations.
- Attended 27 interactive meetings to assist departments with the exploration of reasonable accommodations.
- Attended 61 workers' compensation claim reviews to assist CEO/WCCU and the third party administrators (TPAs) with claim resolution efforts.
- Reviewed 45 vocational rehabilitation plans for employees who were unable to return to their job as a result of an industrial accident.
- Attended 19 vocational rehabilitation conferences at the Workers' Compensation Appeals Board and assisted the TPAs with the defense of the County.
- Processed 48 department requests to release permanently disabled employees.

### **FY 2007-08 Objectives**

- Increase the number of CEO/RTW training sessions by 25%.
- Increase awareness regarding CEO's availability to assist with interactive process needs and encourage department RTW coordinators to invite CEO/RTW participation.

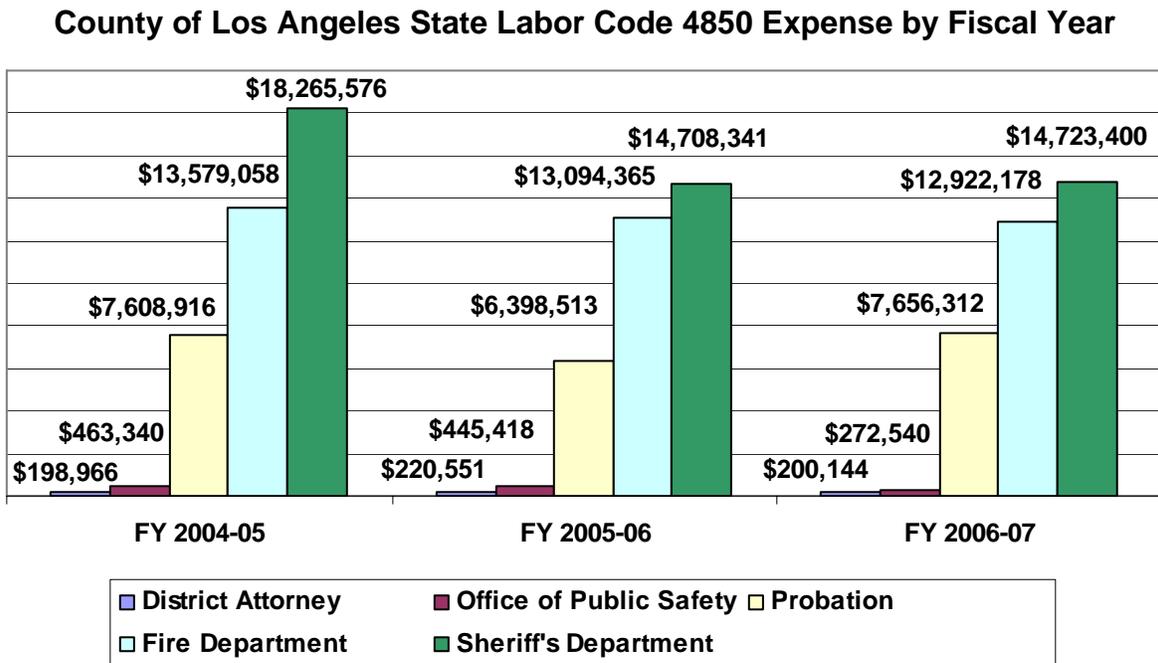
- Prepare RTW coordinators to conduct RTW training for department personnel by providing CEO training materials and co-teaching initial classes.
- In collaboration with CEO Workers' Compensation Claim Unit and CEO Information Technology Services, utilize GenIRIS to assess whether departments are capitalizing on the RTW financial incentives of Senate Bill 899.

One indicator of the County's RTW program's effectiveness is cost avoidance of salary continuation and State Labor Code 4850 payments. RTW effectiveness results from a team effort of departmental RTW staff, workers' compensation TPAs, CEO claim monitors, and departmental supervisors and managers.

From Fiscal Year (FY) 2004-05 to FY 2006-07, salary replacement expense for State Labor Code 4850 and salary continuation both showed dramatic decreases.

- State Labor Code 4850 provides salary replacement paid to injured safety personnel and consists of 100% of salary tax-free. State Labor Code 4850-eligible employees experienced an 11% decrease in expense from FY 2004-05 to FY 2006-07.
- Salary continuation provides salary replacement for injured non-safety personnel and approximates 70% of base salary. The salary continuation expense experienced a 21% decrease from FY 2004-05 (\$8,817,152) to FY 2006-07 (\$6,918,183).

Figure 9: State Labor Code 4850 expense by fiscal year



Source: Auditor-Controller, based on 100% IA Earnings.

## MEDICAL MANAGEMENT AND COST CONTAINMENT

The CEO Medical Management and Cost Containment Unit is responsible for monitoring the workers' compensation medical and disability management and cost containment contracts. These contracts are intended to reduce medical and disability costs and enhance the quality of the County's medical management program. They provide the following services:

- 24-hour Telephonic Reporting of Workers' Compensation Injuries;
- Medical Case Management;
- Medical Bill Review;
- Pharmacy Bill Review;
- Preferred Provider Networks;
- Utilization Review Services; and,
- Medical Provider Network(s).

Medical management and cost containment services allow the County to take advantage of statutorily afforded cost avoidance provisions. In FY 2006-07, the County realized gross savings of approximately 67% on the total bills reviewed by medical management and cost containment contractors. In addition, those contractors provided utilization review services to ensure medical treatment services were based upon evidence-based medical guidelines and authorized within appropriate timeframes.

## LIABILITY CLAIMS

The CEO Liability Claims Section (CEO/LC) provides consultative services that support the County's property and tort liability, including vehicle, general, employment practices, and medical malpractice liability claim processes. For vehicle, general, employment practices, and medical malpractice liability claims assigned to the County's two liability claim third party administrators (TPAs), CEO serves as the County's contract administrator. CEO represents the County in Small Claims Court, investigates liability and property claims, and adjusts inmate and patient property claims against the County.

CEO/LC also provides the following services to the County:

- Coordinate the County's subrogation program, including subrogation, restitution, and deductible recovery.
- Report and consult with County departments on exposure and claim issues. Assist departments to assess methods to reduce exposures and claims.
- Adjust small and property damage claims for various County departments.
- Manage the County's structured settlement and annuity program.
- Coordinate and oversee the County's Special Districts and Contract Cities Liability Trust Funds.
- Support departments' loss control efforts through the generation and distribution of Risk Management Information System (RMIS) loss control and claim reports.

### **FY 2006-07 Accomplishments**

- Represented the County in 60 Small Claims Court appearances, resulting in 91% favorable decisions. The staff adjusted 444 small and property claims, limiting expenses to \$25,000.
- Worked with County Counsel and various departments to implement a new Medical Malpractice and Hospital Liability and Legal Defense Management Service Contract.
- In conjunction with County Counsel, the Department of Health Services, and the County's two tort liability TPAs, implemented an enhanced employment practices claim management process.
- Received \$728,617 from "at fault" parties who damaged County property. This represents a 266% increase from the FY 2004-05 amount of \$199,000.

**FY 2007-08 Objectives**

- Develop and implement a process to pursue additional County real property subrogation opportunities.
- In collaboration with CEO Employee Relations and County departments, evaluate the County's Permittee Driver Program, and make recommendations related to the adjusting of County first party vehicle claims.
- Work with CEO Information Technology Services and County Counsel to expand distribution of RMIS liability claim information to County departments.
- Publish the *County of Los Angeles Liability Claim User's Guide* and conduct Countywide liability claim management training programs.
- Continue to collaboratively work with County Counsel divisions and County departments to efficiently adjust claims and minimize claim-related losses.

## RISK MANAGEMENT INSPECTOR GENERAL

The CEO Risk Management Inspector General (CEO/RMIG) provides consultative services to support department evaluation and assessment of risk that may result in property or liability claims, or other loss-related financial exposures. The CEO assists departments in the development and implementation of Corrective Action Plans (CAP), Summary Corrective Action Plans (SCAP), root cause analysis, and development of loss control options. In addition, in collaboration with CEO Loss Control and Prevention (CEO/LCP), CEO/RMIG also conducts an independent assessment of CAP and SCAP implementation by departments.

The CEO maintains the County's *Corrective Action Plan User's Guide*, that provides departments standardized and uniform guidelines related to the development and implementation of CAPs and SCAPs.

### **FY 2006-07 Accomplishments**

- Enhanced procedures for the effective review of department CAPs and SCAPs, and conducted 124 independent assessments.
- In collaboration with CEO/LCP, participated in over 30 meetings with departments to assist them develop specific CAPs.
- Implemented a process for liability claim TPAs to notify the departmental Risk Management Coordinator and CEO/LCP should a claim's indemnity reserve exceed \$20,000.

### **FY 2007-08 Objectives**

- Expand the half day CAP Development Workshop to a full day and expand the curricula to include root cause analysis, SCAP process, loss control and hazard assessment.
- Assist departments in implementing the SCAP process for claims submitted to the County Claims Board in excess of \$20,000.
- Publish the *Corrective Action Plan Implementation Assessment Review and Reporting Procedures Manual* and conduct training for County staff who review Board-required CAPs and SCAPs for implementation verification and effectiveness.
- Explore the feasibility of enhancing the CAP and SCAP tracking software application.

The following table illustrates the number of CAPs submitted to the Board for liability settlements in excess of \$100,000, by fiscal year.

Table 4: Corrective Action Plans by department

| Department                                     | FY 2004-05 | FY 2005-06 | FY 2006-07 |
|------------------------------------------------|------------|------------|------------|
| Agricultural Commissioner/Weights and Measures | 0          | 0          | 1          |
| Animal Care and Control                        | 1          | 0          | 0          |
| Auditor-Controller                             | 1          | 0          | 1          |
| Children and Family Services                   | 0          | 2          | 1          |
| Community and Senior Services                  | 1          | 1          | 0          |
| District Attorney                              | 0          | 1          | 0          |
| Fire                                           | 1          | 1          | 2          |
| Health Services                                | 15         | 12         | 9          |
| Internal Services                              | 0          | 0          | 1          |
| Office of Public Safety                        | 0          | 1          | 0          |
| Parks and Recreation                           | 1          | 0          | 1          |
| Probation                                      | 1          | 1          | 0          |
| Public Defender                                | 1          | 0          | 0          |
| Public Health                                  | 0          | 0          | 1          |
| Public Library                                 | 1          | 0          | 0          |
| Public Social Services                         | 0          | 0          | 1          |
| Public Works                                   | 3          | 6          | 7          |
| Registrar-Recorder/County Clerk                | 0          | 1          | 0          |
| Sheriff                                        | 9          | 16         | 12         |
| <b>Total</b>                                   | <b>35</b>  | <b>42</b>  | <b>37</b>  |

## RISK MANAGEMENT OPERATIONS

The CEO Risk Management Operations Section (CEO/RMO) is responsible for the following risk management programs and functions:

- County Commercial Insurance Program;
- Coordination of Risk Management Information System (RMIS) with CEO Information Technology Services (CEO/ITS);
- Coordination of the Workers' Compensation Information System with CEO/ITS;
- Insurance Budget (departmental coordination);
- CEO/RMB Contracts Administration Program;
- Indemnification and insurance language review and approval;
- Self-insurance certifications;
- Administrative services support to CEO/RMB;
- Ad hoc and special studies and reports; and,
- Risk Management Advisory Committee administration.

### **FY 2006-07 Accomplishments**

- Maintained all commercial insurance programs without a lapse in coverage.
- Produced and maintained the County's FY 2006-07 Insurance Budget.
- Analyzed departmental contractual risk exposures and recommended indemnification and insurance requirements for County contracts; trained departmental contract analysts and other staff in contractual risk management and related insurance issues.

### **FY 2007-08 Objectives**

- Maintain all commercial insurance programs with no break in coverage, enhance coverage terms at the most competitive cost, and timely renewal of all broker services agreements.
- Continue providing technical assistance to departments with unique insurance requirements/issues.
- Meet all deadlines and requirements in producing and maintaining the FY 2007-08 Insurance Budget.

## DISABILITY MANAGEMENT

The Disability Management Unit is responsible for administering the County's Short-Term Disability (STD) and Long-Term Disability (LTD) Plans that provide a salary maintenance benefit to County employees disabled as a result of an illness or injury. The unit also administers the Long-Term Disability Health (LTD-H) Plan that offers medical insurance premium coverage for LTD recipients, and the Survivor Benefit (SB) Plan, that provides eligible survivors with income benefits in the event of the employee's death.

The administration of these plans includes:

- Managing third party administrator and Hearing Officer contracts;
- Providing advice and guidance to County employees and departments relative to the plan rules;
- Managing the various trust funds associated with these self-insured programs;
- Issuing an annual actuarial study; and,
- Arranging appeal hearings for LTD and LTD-H recipients.

Table 5: Short-term disability claims data

| STD Plan Components           | FY 2004-05  | FY 2005-06  | FY 2006-07  |
|-------------------------------|-------------|-------------|-------------|
| Claims Approved               | 484         | 466         | 535         |
| Average Claim Duration        | 11.6 weeks  | 10.9 weeks  | 11.9 weeks  |
| Average Number of Open Claims | 93          | 86          | 105         |
| Claim Expense                 | \$4,193,202 | \$4,747,781 | \$6,531,229 |

Table 6: Long-term disability claims data

| LTD Plan Components           | FY 2004-05   | FY 2005-06   | FY 2006-07   |
|-------------------------------|--------------|--------------|--------------|
| Claims Approved               | 828          | 512          | 532          |
| Average Number of Open Claims | 2,556        | 2,529        | 2,519        |
| Claim Expense                 | \$28,425,660 | \$30,133,570 | \$29,515,343 |

### FY 2006-07 Accomplishments

- Completed an actuarial study in accordance with the revised Other Post Employment Benefits (OPEB) and Governmental Accounting Standards Board (GASB) statement No. 45 requirements.
- Realized a 2% decrease (\$0.6 million) for LTD claim expense from FY 2005-06 (\$30,133,570) to FY 2006-07 (\$29,515,343). This was the first year-over-year decrease in claim expense in the last five years.

- Implemented an automated interface system between the TPA and Los Angeles County Employees Retirement Association (LACERA) to prevent overpayments arising from employee retirement.

**FY 2007-08 Objectives**

- Launch a more aggressive informational campaign of written correspondence and verbal presentations to inform employees of the plans' most critical rules and requirements.
- Enhance the claims processing monitoring system to ensure TPA follow-up on claims requiring special handling in the event of the death, rehabilitation, or other extraneous circumstance.

## OCCUPATIONAL HEALTH PROGRAMS

The CEO Occupational Health Programs' (CEO/OHP) mission is:

**To protect the health of County of Los Angeles employees, and by extension, the health and safety of the public they serve; and, to minimize the adverse effects of employee illness and injury on County departments.**

This is accomplished through a number of functions:

- Pre-placement medical evaluations;
- Employee medical evaluations;
- Fitness For Life! program;
- Drug and alcohol program;
- Medical/Psychological re-evaluations; and,
- Employee Assistance Program.

*Pre-Placement Medical Evaluations* – In accordance with the Federal Americans with Disabilities Act and the State's Fair Employment and Housing Act, the testing protocols used in pre-placement medical evaluations have been designed to include only those components that are job-related. Consistent with fair employment laws, each applicant is evaluated on an individualized basis, utilizing the best available medical evidence.

*Employee Medical Evaluations* – CEO continues to monitor certain employees after hire through the administration of the following disease surveillance and fitness-for-duty programs:

- Asbestos Worker's Medical Surveillance Program;
- Class A/B Drivers' Fitness Evaluation;
- Confined Space Entry Fitness Evaluation;
- Deputy Sheriff Bicycle Patrol Fitness Evaluation;
- Deputy Sheriff Clandestine Lab Team Medical;
- Deputy Sheriff FBI Bomb School Participant;
- Diver's Fitness Evaluation;
- Hazmat Team Member Evaluation;
- Hearing Conservation Evaluation;
- Lead Surveillance Evaluation; and,
- Respirator User's Evaluation.

*Fitness For Life! Program* – The Fitness For Life! Program, formerly Fire Wellness, seeks to promote health by offering employees a comprehensive annual package of medical testing including cardiac stress testing. During this fiscal year, eligibility for program participation was broadened to include not only Firefighters, but also Foresters, Ocean Lifeguards, Rescue Boat Captains, Fire Pilots, and Lake Lifeguards (Department of Parks and Recreation). The number of evaluations in the program increased almost 50% from 1,937 in FY 2005-06 to 2,880 in FY 2006-07.

*Drug and Alcohol Program* – CEO administers programs for the drug and alcohol testing of truck and ambulance drivers, high risk crafts positions, and for new hires and employees defined as commercial drivers by the Federal Department of Transportation or in safety-sensitive positions.

*Medical/Psychological Re-Evaluations* – If a County employee’s job performance deteriorates and department management believes this deterioration may be caused by physical and emotional problems, the department may request CEO to perform an employee medical or psychological re-evaluation pursuant to County Civil Service Rules.

*Employee Assistance Program* – CEO manages the County’s Employee Assistance Program (EAP). The EAP provides all County employees and their families access to confidential assessment, counseling, and referral services for personal issues that may impact an employee’s job performance. EAP clinicians provide departments training to recognize the existence of employee problems and to initiate appropriate referral to the EAP. In addition, the clinicians offer a variety of training workshops to assist County departments in developing and maintaining a productive workforce.

**FY 2006-07 Accomplishments**

- Responded to the medical and psychological examination needs of County departments. Table 7 provides FY 2004-05 through FY 2006-07 CEO/OHP output measures.

Table 7: CEO/OHP output

| Service Provided               | FY 2004-05 | FY 2005-06 | FY 2006-07 |
|--------------------------------|------------|------------|------------|
| Medical Appeals                | 20         | 41         | 87         |
| Applicant Medical Examinations | 6,357      | 9,154      | 9,901      |
| Employee Medical Examinations  | 5,317      | 4,787      | 5,361      |
| Subpoenas/Records Requests     | 343        | 214        | 167        |
| Psychological Appeals          | 55         | 59         | 76         |
| EAP Counseling Sessions        | 570        | 605        | 560        |
| EAP Telephone Sessions         | 999        | 935        | 479        |
| EAP Training Sessions          | 138        | 102        | 56         |
| Employees Trained by EAP       | 4,614      | 3,067      | 1,723      |

- Completed the training of a full-time staff physician.
- Added orthopedic and podiatric specialists to the CEO's panel of consultants to provide medical consultations on pre-placement cases. Eleven orthopedic consultations and twenty-two podiatric consultations were completed.

- Updated and revised the Clinical Practice Guidelines for Employee Medical Evaluations and the Fitness for Life! program.
- Tracked medical data to ensure sufficient information is provided to assess the effectiveness of reducing the risk of future coronary disease in employees participating in the Fitness for Life! program.
- Began in-house pre-placement psychological screening for Mental Health Peer Advocates.

**Objectives for FY 2007-08**

- In collaboration with CEO Return-to-Work, CEO Information Technology Services, and Internal Services Department, develop and implement a shared database to replace the existing system for tracking medical testing and employee work restrictions. Utilizing that technology, develop and implement new administrative processes for improved efficiencies and reporting.
- Update and revise the Pre-Placement Clinical Practice Guidelines, and the guidelines for Clinical Testing Procedures.
- Hire and train a second full-time staff physician.

## LOSS CONTROL AND PREVENTION

The mission of the CEO Loss Control and Prevention Section is:

**To ensure a safe and healthful environment for County of Los Angeles employees, visitors, and citizens; and, to minimize the County's Cost of Risk.**

This is accomplished through a number of strategies:

- Identify County departments' operational risk exposures and cost drivers;
- Provide loss control consulting to departments to improve their programs, procedures, and policies relating to their risks and cost drivers;
- Establish County loss control and prevention standards and assist departments to implement and attain them; and,
- Encourage departments to focus attention on "cost driver" issues and develop best practice methods to measure them.

On a Countywide basis, departments will be asked to focus on:

- Addressing issues driving workers' compensation and tort liability costs, including vehicle, general, employment practices, and medical malpractice liability costs;
- Prioritizing and implementing loss control and prevention recommendations using department risk and needs assessments;
- Improving accident investigations and determining root causes of accidents; and,
- Enhancing Corrective Action Plans (CAPs) and loss control and prevention activities to address the root causes of accidents.

The leading causes of County workers' compensation claims are:

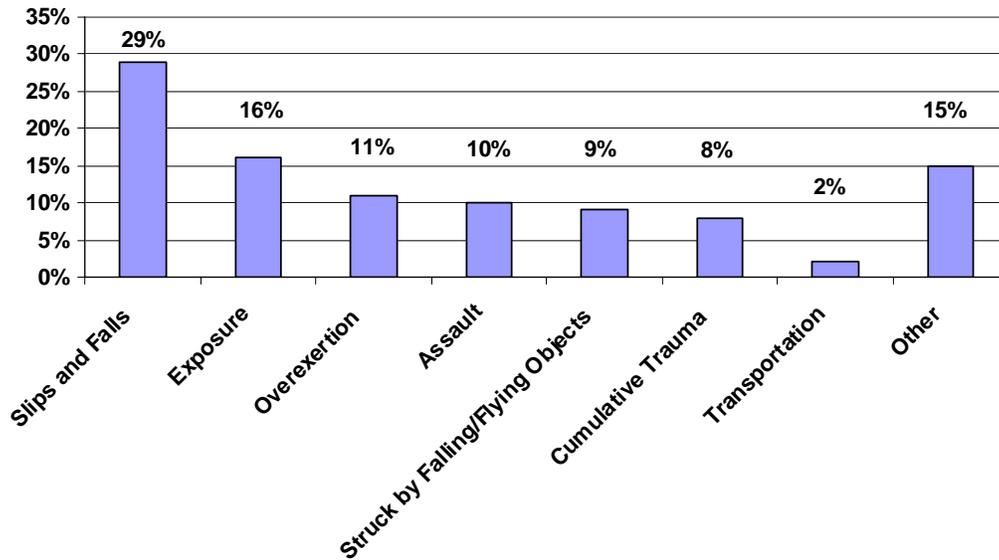
1. Slips and falls;
2. Exposure;
3. Overexertion (lifting, carrying, pushing, pulling);
4. Assaults;
5. Struck by falling/flying objects;
6. Cumulative trauma;
7. Vehicle accidents (transportation); and,
8. Other (including emotional, cardiovascular, rubbed by/against, caught in/between).\*

\* "Rubbed by/against" includes abrasions and foreign objects in the eye; "Caught in/between" involves pinch points, such as pinching fingers in a door.

The causes for these types of claims are being evaluated on a department-by-department basis. Figure 10 illustrates the major causes of FY 2006-07 workers' compensation claims and Figure 11 illustrates the cost breakdown of the FY 2006-07 major causes of claims.

Figure 10: Major causes of workers' compensation claims by frequency

**County of Los Angeles Major Causes of Workers' Compensation Claims by Frequency  
FY 2006-07**

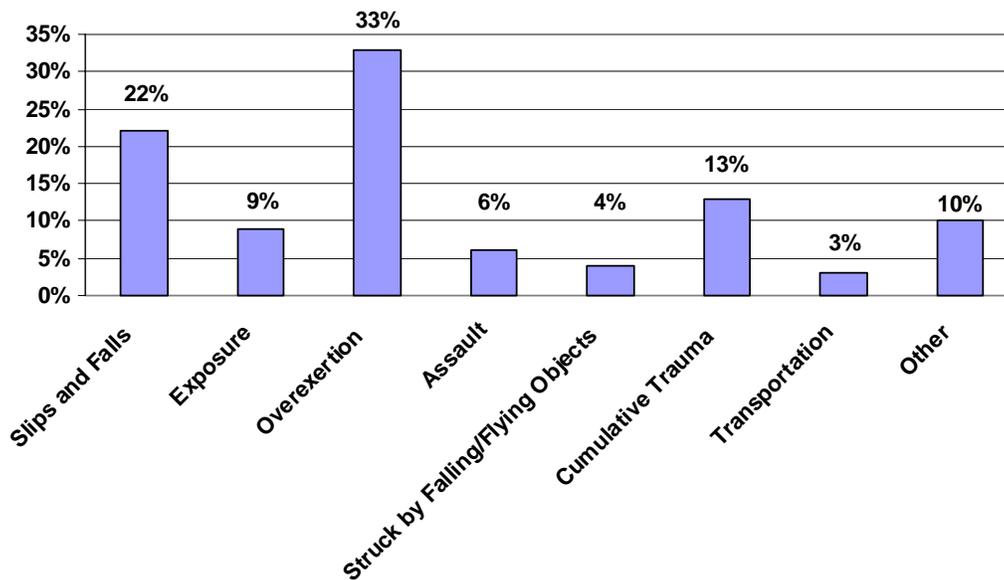


Note:

1. "Other" category includes emotional, cardiovascular, rubbed by/against, and caught in/between.

Figure 11: Major causes of workers' compensation claims by incurred cost

**County of Los Angeles Major Causes of Workers' Compensation Claims by Incurred Cost  
FY 2006-07**



Note:

1. "Other" category includes emotional, cardiovascular, rubbed by/against, and caught in/between.

CEO efforts are essential to ensure the safety of County employees, visitors, and citizens, and minimize the County's Cost of Risk. CEO continues to work with its departmental contacts to address issues and implement improvements.

### **FY 2006-07 Accomplishments**

- Instituted a 40-hour training program, *Introduction to Occupational Safety and Health*, to enhance the skills and capabilities of personnel assigned to implement and maintain their department's loss control and prevention programs. This program teaches the basics of workplace safety, health, loss control and risk management. It establishes the foundation on which departments administer their risk management programs.
- In collaboration with CEO/RMIG, a CAP review program was established in CEO/LCP to review the implementation status of departmental CAPs. For any claim or lawsuit over \$100,000, this CAP review commences six months after Board of Supervisors (Board) approval to settle the claim or lawsuit. One year after the settlement (and every year thereafter), CEO/LCP again follows up to determine if progress has been made in completing the implementation of the CAP steps.
- Modified the California Department of Motor Vehicles (DMV) Employer Pull Notice Program to streamline departmental notification of changes in their employees' driving status. Large departments who were not administering their own programs previously were encouraged and empowered by CEO to establish their own Employer Pull Notice Program with the DMV. In this way, each department has direct knowledge of the driver's license status of enrolled employees who drive for the County and can take immediate action when problems with driver's license status arise.

### **FY 2007-08 Objectives**

- Continue to update loss control and prevention information in the *Risk and Needs Assessment* documents and consult with other CEO/RMB staff to further expand subject areas beyond loss control and prevention.
- Monitor the implementation of the Countywide facility evaluation program mandated by Board order.
- Create a committee of department safety officers as a forum for discussing common loss prevention and risk management issues.
- In collaboration with CEO/RMIG, continue to assess the implementation status of existing CAPs and provide assistance to departments on the development of new CAPs.
- Continue to focus CEO efforts on "cost driver" issues by assisting departments to implement an aggressive loss control and prevention program.

# PERFORMANCE COUNTS!

Table 8: CEO/RMB *Performance Counts!* program performance measures

| Performance Measures <sup>1</sup>                                                                                                        | Actual<br>FY 2004-05 | Actual<br>FY 2005-06 | Actual<br>FY 2006-07 | Projected<br>FY 2007-08 |
|------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|----------------------|-------------------------|
| <b>Indicators</b>                                                                                                                        |                      |                      |                      |                         |
| Liability loss and adjustment expense as a percent of total County operating budget                                                      | 0.36%                | 0.36%                | 0.44%                | 0.40%                   |
| Workers' compensation loss and adjustment expense as a percent of the total County operating budget                                      | 1.47%                | 1.33%                | 1.29%                | 1.30%                   |
| Percent change of Cal/OSHA citations regarding occupational hazards based on a three-year calendar rolling average                       | -25.2%               | -31.0%               | -29.5%               | -10.0%                  |
| <b>Operational Measures</b>                                                                                                              |                      |                      |                      |                         |
| Number of training sessions for departmental Risk Management Coordinators                                                                | 4                    | 3                    | 3                    | 4                       |
| Number of workers' compensation open claims                                                                                              | 24,526               | 24,875               | 24,217               | 25,000                  |
| Number of employee and applicant pre-placement and periodic examinations                                                                 | 11,674               | 13,941               | 15,262               | 16,000                  |
| Number of loss control and prevention consultations provided to County departments to identify risk mitigation and control opportunities | 579                  | 372                  | 516                  | 600                     |
| Number of Return-to-Work training sessions conducted for line supervisors                                                                | 44                   | 64                   | 24                   | 30                      |
| Number of psychological consultations and referrals                                                                                      | 707                  | 725                  | 748                  | 800                     |

# STATISTICS, FY 2006-07

|                                                                                  |           |
|----------------------------------------------------------------------------------|-----------|
| Total Cost Paid – All Claims.....                                                | Exhibit A |
| All Claims Count and Cost Summary.....                                           | Exhibit B |
| Total Number of Claims Filed.....                                                | Exhibit C |
| Workers’ Compensation Claim Count and Cost Summary.....                          | Exhibit D |
| Vehicle Liability Claim Count and Cost Summary.....                              | Exhibit E |
| General Liability Claim Count and Cost Summary.....                              | Exhibit F |
| Medical Malpractice Claim Count and Cost Summary.....                            | Exhibit G |
| State of California Labor Code 4850 and Salary Continuation<br>Cost Summary..... | Exhibit H |
| Cluster – Department List.....                                                   | Exhibit I |



Exhibit A: Fiscal year comparison of total cost paid, regardless of date of occurrence

**County of Los Angeles Total Cost Paid – All Claims  
FY 2004-05 through FY 2006-07**

| <b>Fiscal Year</b> | <b>Vehicle Liability</b> | <b>General Liability</b> | <b>Medical Malpractice</b> | <b>Workers' Compensation</b> | <b>Labor Code 4850 and Salary Continuation</b> | <b>Grand Total</b> |
|--------------------|--------------------------|--------------------------|----------------------------|------------------------------|------------------------------------------------|--------------------|
| FY 2004-05         | \$7,884,433              | \$37,349,129             | \$16,181,045               | \$272,735,278                | \$49,394,293                                   | \$383,544,178      |
| FY 2005-06         | \$6,742,230              | \$44,490,645             | \$15,256,824               | \$263,053,690                | \$42,256,919                                   | \$371,800,308      |
| FY 2006-07         | \$10,070,852             | \$52,118,253             | \$22,269,935               | \$279,991,751                | \$43,007,829                                   | \$407,458,620      |

Notes:

1. Data do not include unemployment costs.
2. Data include pending and non-jurisdictional departments, but do not include associated agencies that are not County departments, i.e. MTA, Foothill Transit, etc. This information includes County Counsel tort claims.
3. Amount Paid is the total of the transactions paid by coverage code in the fiscal year; amount includes indemnity, legal fees and expenses, regardless of occurrence date; does not include RBNP or IBNR reserves.
4. Workers' compensation paid does not reflect State of California Labor Code 4850 or salary continuation payments.

**County of Los Angeles Percentage of Total Cost Paid by Claim Type  
FY 2006-07**

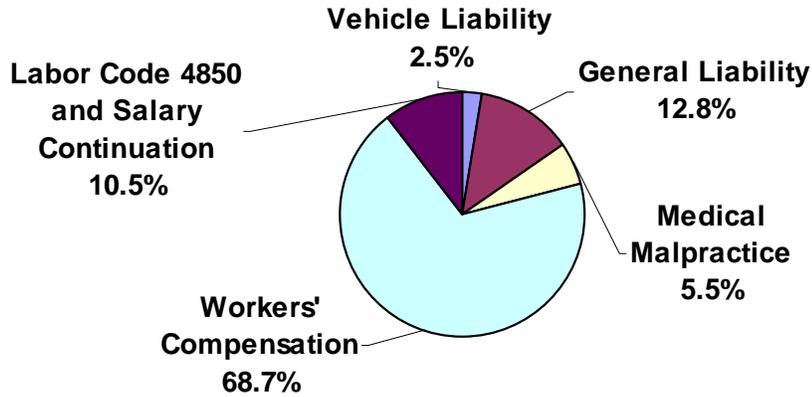


Exhibit B: All claims count and cost summary

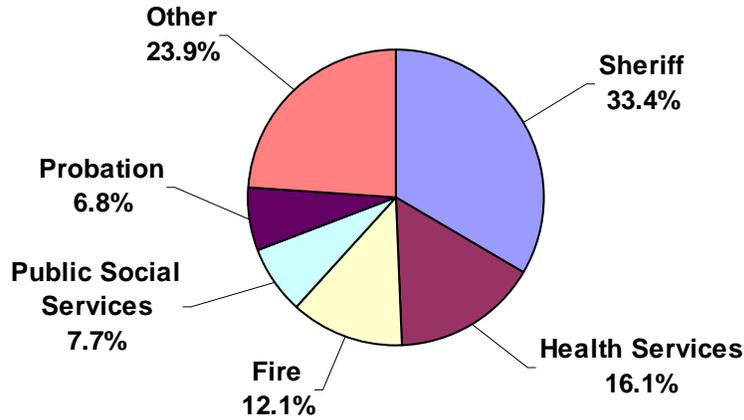
**County of Los Angeles All Claims Count and Cost Summary**

| Department                                     | FY 2004-05    |                                              | FY 2005-06    |                                              | FY 2006-07    |                                              |
|------------------------------------------------|---------------|----------------------------------------------|---------------|----------------------------------------------|---------------|----------------------------------------------|
|                                                | # New Claims  | Amount Paid <sup>1,2,3</sup><br>(all claims) | # New Claims  | Amount Paid <sup>1,2,3</sup><br>(all claims) | # New Claims  | Amount Paid <sup>1,2,3</sup><br>(all claims) |
| Affirmative Action                             | 2             | \$91,114                                     | 2             | \$79,223                                     | 2             | \$31,593                                     |
| Agricultural Commissioner/Weights and Measures | 77            | \$763,243                                    | 48            | \$877,009                                    | 52            | \$946,489                                    |
| Alternate Public Defender                      | 10            | \$277,419                                    | 14            | \$367,620                                    | 7             | \$946,767                                    |
| Animal Care and Control                        | 98            | \$1,633,041                                  | 156           | \$1,219,672                                  | 127           | \$779,413                                    |
| Assessor                                       | 45            | \$1,371,403                                  | 46            | \$1,223,803                                  | 50            | \$1,483,068                                  |
| Auditor-Controller                             | 83            | \$440,005                                    | 107           | \$436,097                                    | 34            | \$823,301                                    |
| Beaches and Harbors                            | 39            | \$575,638                                    | 47            | \$952,042                                    | 26            | \$595,299                                    |
| Board of Supervisors                           | 45            | \$519,248                                    | 26            | \$910,802                                    | 15            | \$679,732                                    |
| Chief Executive Officer                        | 15            | \$1,145,530                                  | 12            | \$1,294,375                                  | 19            | \$670,849                                    |
| Chief Information Officer                      | 0             | \$11,792                                     | 0             | \$7,643                                      | 0             | \$3,523                                      |
| Child Support Services                         | 138           | \$3,794,778                                  | 121           | \$2,891,978                                  | 111           | \$3,514,675                                  |
| Children and Family Services                   | 554           | \$16,580,740                                 | 484           | \$15,619,748                                 | 463           | \$17,846,546                                 |
| Community and Senior Services                  | 29            | \$1,068,734                                  | 18            | \$935,539                                    | 19            | \$860,131                                    |
| Consumer Affairs                               | 4             | \$56,318                                     | 2             | \$49,033                                     | 1             | \$57,943                                     |
| Coroner                                        | 63            | \$711,797                                    | 59            | \$999,407                                    | 68            | \$960,421                                    |
| County Counsel                                 | 22            | \$1,170,231                                  | 16            | \$660,189                                    | 19            | \$645,079                                    |
| District Attorney                              | 142           | \$6,175,523                                  | 155           | \$5,361,632                                  | 132           | \$6,342,766                                  |
| Fire                                           | 1,480         | \$46,943,405                                 | 1,495         | \$45,023,040                                 | 1,470         | \$49,427,715                                 |
| Health Services                                | 1,834         | \$62,788,247                                 | 1,873         | \$58,314,071                                 | 1,813         | \$65,762,927                                 |
| Human Relations Commission                     | 0             | \$346                                        | 2             | \$5,712                                      | 0             | \$970                                        |
| Human Resources                                | 9             | \$382,084                                    | 7             | \$150,949                                    | 8             | \$282,057                                    |
| Internal Services                              | 239           | \$5,989,361                                  | 183           | \$2,011,425                                  | 147           | \$6,126,380                                  |
| LACERA                                         | 14            | \$402,237                                    | 9             | \$547,016                                    | 7             | \$471,356                                    |
| Mental Health                                  | 211           | \$4,498,267                                  | 225           | \$5,369,763                                  | 203           | \$5,732,342                                  |
| Military and Veterans Affairs                  | 3             | \$48,055                                     | 5             | \$87,777                                     | 1             | \$54,452                                     |
| Museum of Art                                  | 9             | \$121,363                                    | 9             | \$161,665                                    | 4             | \$167,347                                    |
| Museum of Natural History                      | 9             | \$213,826                                    | 2             | \$114,061                                    | 4             | \$103,660                                    |
| Non-Jurisdictional                             | 360           | \$218,925                                    | 325           | \$148,933                                    | 346           | \$261,290                                    |
| Office of Public Safety                        | 85            | \$4,146,174                                  | 103           | \$3,321,613                                  | 114           | \$4,470,547                                  |
| Ombudsman                                      | 1             | \$0                                          | 0             | \$0                                          | 1             | \$0                                          |
| Parks and Recreation                           | 295           | \$3,823,409                                  | 299           | \$3,117,869                                  | 302           | \$6,396,297                                  |
| Pending Assignment                             | 4             | \$2,155                                      | 18            | \$3,132                                      | 35            | \$18,265                                     |
| Probation                                      | 723           | \$27,631,153                                 | 834           | \$24,992,195                                 | 774           | \$27,741,597                                 |
| Public Defender                                | 74            | \$1,778,086                                  | 66            | \$1,752,386                                  | 52            | \$1,280,273                                  |
| Public Health                                  | 232           | \$6,513,467                                  | 221           | \$7,303,169                                  | 252           | \$7,675,253                                  |
| Public Library                                 | 54            | \$1,434,243                                  | 55            | \$951,484                                    | 73            | \$842,599                                    |
| Public Social Services                         | 1,023         | \$30,650,634                                 | 855           | \$30,380,755                                 | 822           | \$31,392,311                                 |
| Public Works                                   | 1,250         | \$10,777,820                                 | 1,045         | \$13,873,938                                 | 939           | \$14,153,206                                 |
| Regional Planning                              | 2             | \$92,784                                     | 9             | \$116,788                                    | 9             | \$56,376                                     |
| Registrar-Recorder/County Clerk                | 88            | \$1,296,144                                  | 74            | \$1,871,188                                  | 100           | \$1,221,590                                  |
| Sheriff                                        | 5,220         | \$125,038,982                                | 5,591         | \$127,504,559                                | 5,456         | \$135,974,538                                |
| Superior Court                                 | 299           | \$11,741,249                                 | 291           | \$10,003,497                                 | 257           | \$9,909,793                                  |
| Treasurer and Tax Collector                    | 41            | \$625,205                                    | 40            | \$787,519                                    | 31            | \$747,881                                    |
| <b>Total<sup>4</sup></b>                       | <b>14,818</b> | <b>\$383,544,175</b>                         | <b>14,801</b> | <b>\$371,800,316</b>                         | <b>14,121</b> | <b>\$407,458,617</b>                         |

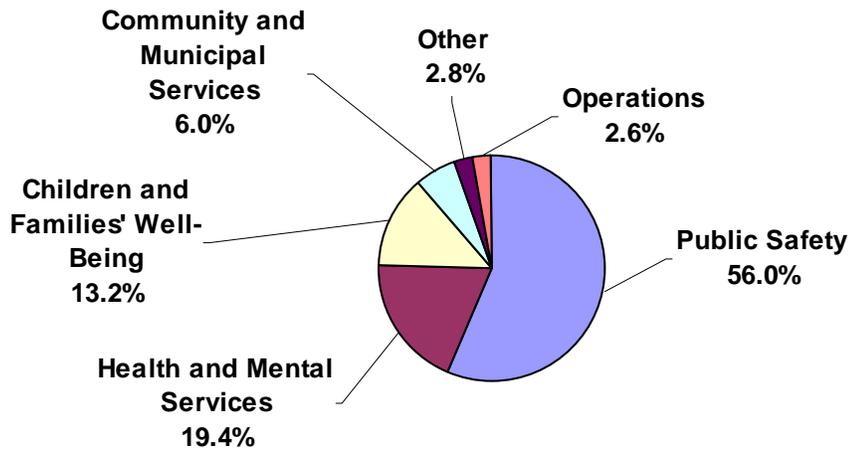
Notes:

1. Amount Paid is the total of the transactions paid by coverage code in the fiscal year regardless of occurrence date plus amounts paid for workers' compensation from the WCTF report. Amount Paid includes indemnity, legal fees and expenses. Does not include RBNP or IBNR reserves. Workers' compensation paid does not reflect State of California Labor Code 4850 or salary continuation payments. Data do not include unemployment costs.
2. Above information includes pending and non-jurisdictional departments, but does not include associated agencies that are not County departments, i.e. MTA, Foothill Transit, etc. This information does include County Counsel tort files. County Counsel expenditures are included.
3. Amounts valued as of June 30, 2007.
4. The total number of claims does not add up to the sum of claims by department since some claims are allocated to multiple departments; count includes all suffixes.

County of Los Angeles Percentage of All Claims Cost Paid by Department  
FY 2006-07



County of Los Angeles Percentage of All Claims Cost Paid by Cluster  
FY 2006-07



Notes:

1. "Other" category includes claims coded to Chief Executive Office, LACERA, Non-Jurisdictional, Pending Assignment, and Superior Court.
2. See Exhibit I for a breakdown of departments by cluster.

Exhibit C: Fiscal year comparison of total number of claims filed by type

**County of Los Angeles Total Number of Claims Filed by Claim Type  
FY 2004-05 through FY 2006-07**

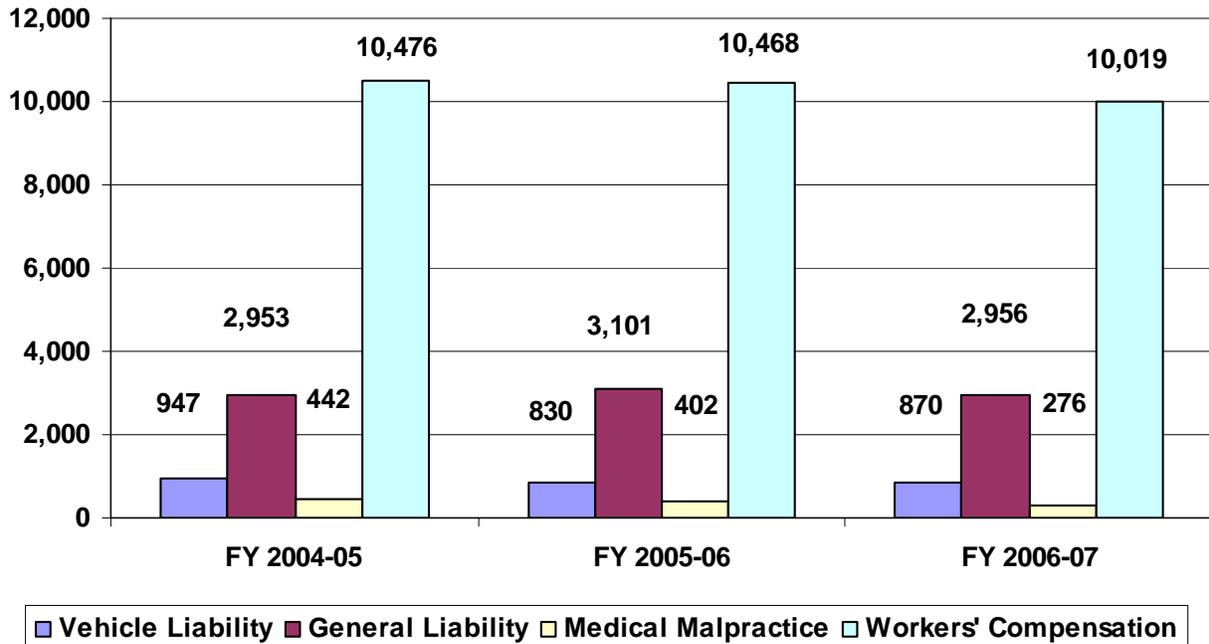
| Claim Type <sup>1,2</sup> | FY 2004-05    | FY 2005-06    | FY 2006-07    |
|---------------------------|---------------|---------------|---------------|
| Vehicle Liability         | 947           | 830           | 870           |
| General Liability         | 2,953         | 3,101         | 2,956         |
| Medical Malpractice       | 442           | 402           | 276           |
| Workers' Compensation     | 10,476        | 10,468        | 10,019        |
| <b>Grand Total</b>        | <b>14,818</b> | <b>14,801</b> | <b>14,121</b> |

Notes:

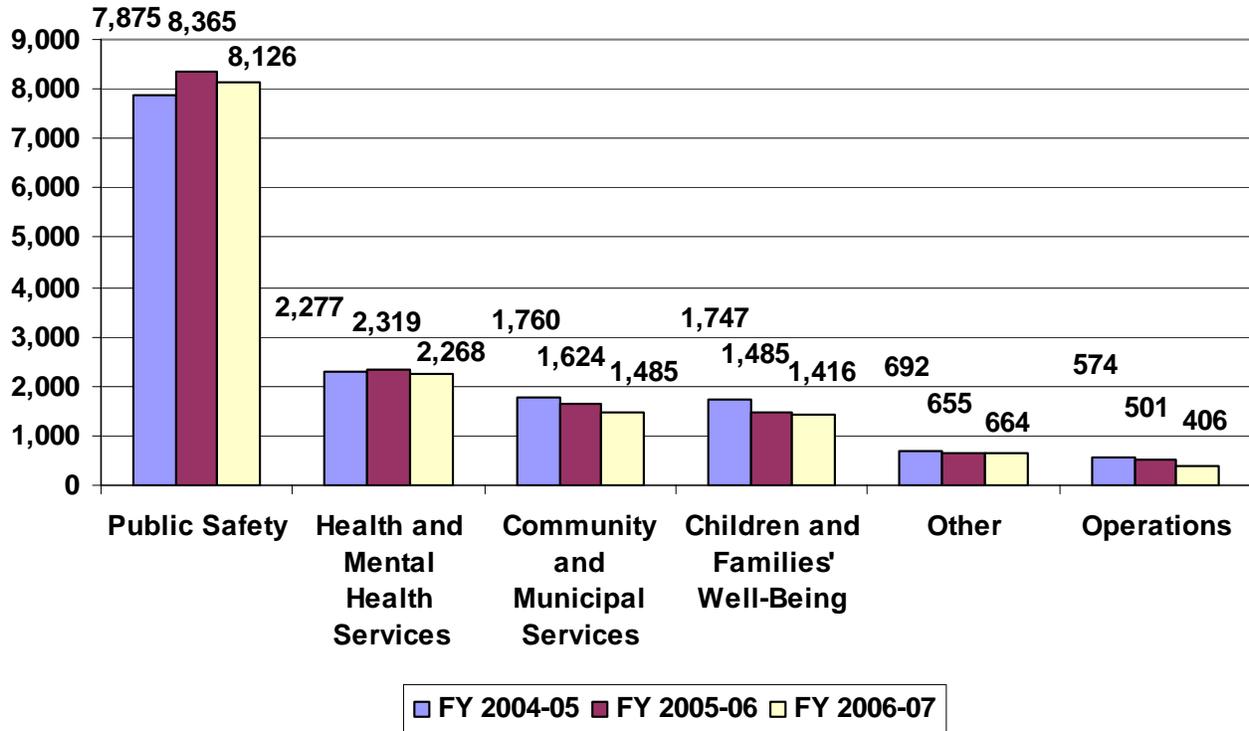
1. Total number of claims filed by fiscal year regardless of date of occurrence; count includes all suffixes.

2. Includes County Counsel tort claims, but not agencies that are not County departments, i.e. MTA, Foothill Transit, etc.

**County of Los Angeles Total Number of Claims Filed by Claim Type  
FY 2004-05 through FY 2006-07**



County of Los Angeles Total Number of Claims Filed by Cluster  
FY 2004-05 through FY 2006-07



Notes:

1. "Other" category includes claims coded to Chief Executive Office, LACERA, Non-Jurisdictional, Pending Assignment, and Superior Court.
2. The total number of claims by cluster does not add up to the sum of claims since some claims are allocated to multiple clusters; count includes all suffixes.
3. See Exhibit I for a breakdown of departments by cluster.

## FY 2006-07 Risk Management Annual Report

Exhibit D: Fiscal year comparison of workers' compensation claims and cost

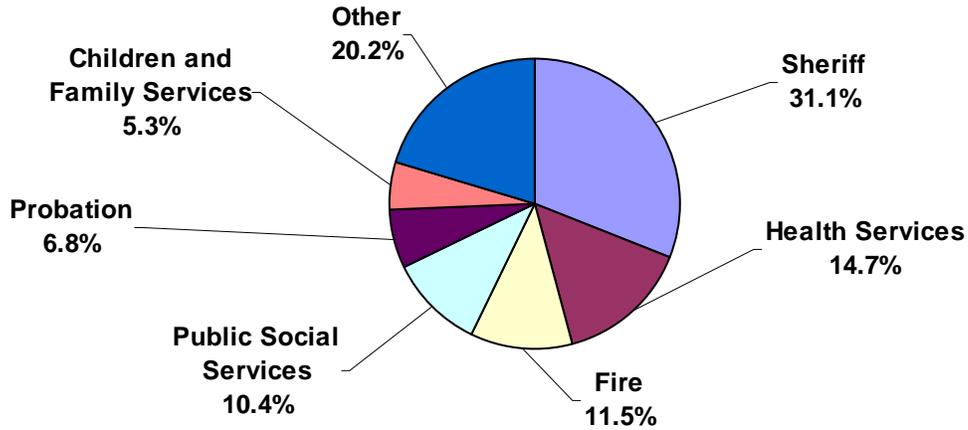
### County of Los Angeles Workers' Compensation Claim Count and Cost Summary FY 2004-05 through FY 2006-07

| Department                                     | FY 2004-05    |                                              | FY 2005-06    |                                              | FY 2006-07    |                                              |
|------------------------------------------------|---------------|----------------------------------------------|---------------|----------------------------------------------|---------------|----------------------------------------------|
|                                                | # New Claims  | Amount Paid <sup>1,2,3</sup><br>(all claims) | # New Claims  | Amount Paid <sup>1,2,3</sup><br>(all claims) | # New Claims  | Amount Paid <sup>1,2,3</sup><br>(all claims) |
| Affirmative Action                             | 2             | \$69,868                                     | 1             | \$78,907                                     | 2             | \$23,673                                     |
| Agricultural Commissioner/Weights and Measures | 35            | \$578,861                                    | 28            | \$789,302                                    | 34            | \$880,361                                    |
| Alternate Public Defender                      | 7             | \$90,106                                     | 8             | \$52,153                                     | 4             | \$84,083                                     |
| Animal Care and Control                        | 81            | \$765,583                                    | 147           | \$818,607                                    | 110           | \$553,675                                    |
| Assessor                                       | 36            | \$1,316,284                                  | 34            | \$1,090,419                                  | 43            | \$1,383,476                                  |
| Auditor-Controller                             | 20            | \$378,045                                    | 8             | \$349,192                                    | 17            | \$430,764                                    |
| Beaches and Harbors                            | 24            | \$479,859                                    | 23            | \$578,635                                    | 11            | \$446,697                                    |
| Board of Supervisors                           | 13            | \$178,773                                    | 8             | \$195,220                                    | 4             | \$254,034                                    |
| Chief Executive Officer                        | 10            | \$337,752                                    | 6             | \$291,668                                    | 7             | \$471,557                                    |
| Chief Information Officer                      | 0             | \$6,991                                      | 0             | \$7,643                                      | 0             | \$3,523                                      |
| Child Support Services                         | 96            | \$3,357,154                                  | 97            | \$2,585,889                                  | 94            | \$3,116,813                                  |
| Children and Family Services                   | 376           | \$13,057,672                                 | 330           | \$12,023,120                                 | 344           | \$15,020,425                                 |
| Community and Senior Services                  | 19            | \$682,415                                    | 15            | \$770,729                                    | 16            | \$680,532                                    |
| Consumer Affairs                               | 2             | \$33,485                                     | 2             | \$48,959                                     | 1             | \$34,376                                     |
| Coroner                                        | 33            | \$621,163                                    | 30            | \$864,929                                    | 33            | \$663,801                                    |
| County Counsel                                 | 15            | \$523,306                                    | 13            | \$356,320                                    | 15            | \$473,924                                    |
| District Attorney                              | 76            | \$4,717,926                                  | 70            | \$4,345,930                                  | 67            | \$5,297,821                                  |
| Fire                                           | 1,318         | \$31,173,765                                 | 1,352         | \$29,900,243                                 | 1,282         | \$32,122,194                                 |
| Health Services                                | 1,266         | \$43,685,361                                 | 1,372         | \$39,422,437                                 | 1,317         | \$41,112,183                                 |
| Human Relations Commission                     | 0             | \$346                                        | 1             | \$5,712                                      | 0             | \$970                                        |
| Human Resources                                | 7             | \$272,701                                    | 3             | \$148,330                                    | 4             | \$279,368                                    |
| Internal Services                              | 144           | \$5,140,649                                  | 129           | \$4,784,583                                  | 104           | \$5,530,406                                  |
| LACERA                                         | 14            | \$346,376                                    | 9             | \$546,104                                    | 7             | \$459,001                                    |
| Mental Health                                  | 155           | \$3,554,625                                  | 165           | \$4,033,962                                  | 139           | \$3,737,740                                  |
| Military and Veterans Affairs                  | 3             | \$48,055                                     | 5             | \$59,168                                     | 0             | \$41,813                                     |
| Museum of Art                                  | 6             | \$121,279                                    | 4             | \$160,834                                    | 0             | \$157,347                                    |
| Museum of Natural History                      | 6             | \$169,494                                    | 2             | \$109,813                                    | 3             | \$103,660                                    |
| Non-Jurisdictional                             | 0             | \$0                                          | 0             | \$0                                          | 0             | \$0                                          |
| Office of Public Safety                        | 72            | \$3,033,480                                  | 81            | \$2,473,130                                  | 93            | \$3,157,318                                  |
| Ombudsman                                      | 1             | \$0                                          | 0             | \$0                                          | 1             | \$0                                          |
| Parks and Recreation                           | 210           | \$2,624,631                                  | 203           | \$2,513,398                                  | 215           | \$3,104,189                                  |
| Pending Assignment                             | 0             | \$0                                          | 4             | \$0                                          | 20            | \$0                                          |
| Probation                                      | 675           | \$18,307,890                                 | 789           | \$16,877,566                                 | 706           | \$19,011,659                                 |
| Public Defender                                | 53            | \$1,059,205                                  | 48            | \$1,136,237                                  | 31            | \$1,030,051                                  |
| Public Health                                  | 212           | \$5,807,409                                  | 186           | \$5,794,066                                  | 218           | \$6,248,309                                  |
| Public Library                                 | 41            | \$1,000,309                                  | 49            | \$691,961                                    | 62            | \$789,065                                    |
| Public Social Services                         | 985           | \$28,670,425                                 | 819           | \$28,029,562                                 | 789           | \$29,154,403                                 |
| Public Works                                   | 305           | \$5,863,824                                  | 321           | \$5,964,768                                  | 260           | \$5,985,284                                  |
| Regional Planning                              | 2             | \$37,093                                     | 5             | \$115,761                                    | 4             | \$43,449                                     |
| Registrar-Recorder/County Clerk                | 67            | \$1,004,889                                  | 67            | \$1,483,195                                  | 71            | \$1,056,660                                  |
| Sheriff                                        | 3,764         | \$82,231,788                                 | 3,726         | \$83,789,003                                 | 3,623         | \$87,055,629                                 |
| Superior Court                                 | 299           | \$10,782,774                                 | 289           | \$9,121,002                                  | 255           | \$9,332,644                                  |
| Treasurer and Tax Collector                    | 26            | \$603,667                                    | 19            | \$645,233                                    | 13            | \$658,874                                    |
| <b>Total</b>                                   | <b>10,476</b> | <b>\$272,735,278</b>                         | <b>10,468</b> | <b>\$263,053,690</b>                         | <b>10,019</b> | <b>\$279,991,751</b>                         |

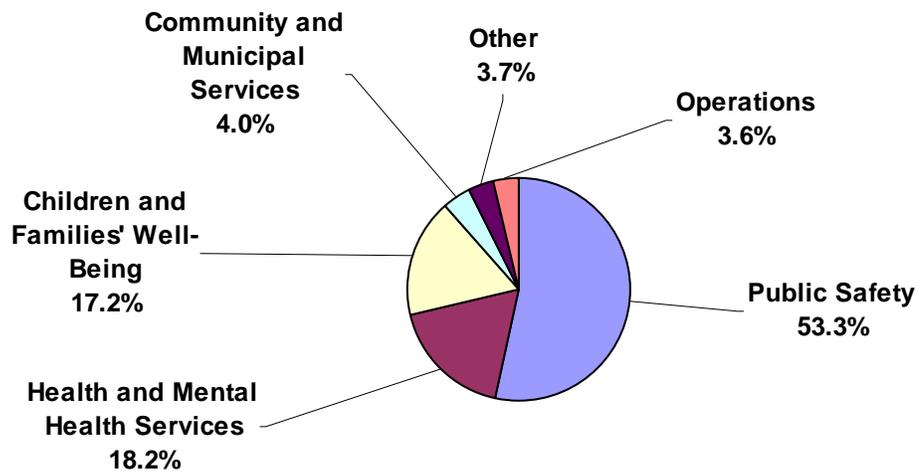
Notes:

1. Amount Paid is the total of the transactions paid for workers' compensation in the fiscal year; amount includes indemnity, legal fees and expenses, regardless of date of occurrence. Does not include RBNP or IBNR reserves. Workers' compensation paid does not include State of California Labor Code 4850 or salary continuation payments.
2. Amounts as listed on Workers' Compensation Trust Fund Cash Balance Report.
3. Superior Court expenses are billed to the State of California.

**County of Los Angeles Percentage of Workers' Compensation Cost Paid by Department  
FY 2006-07**



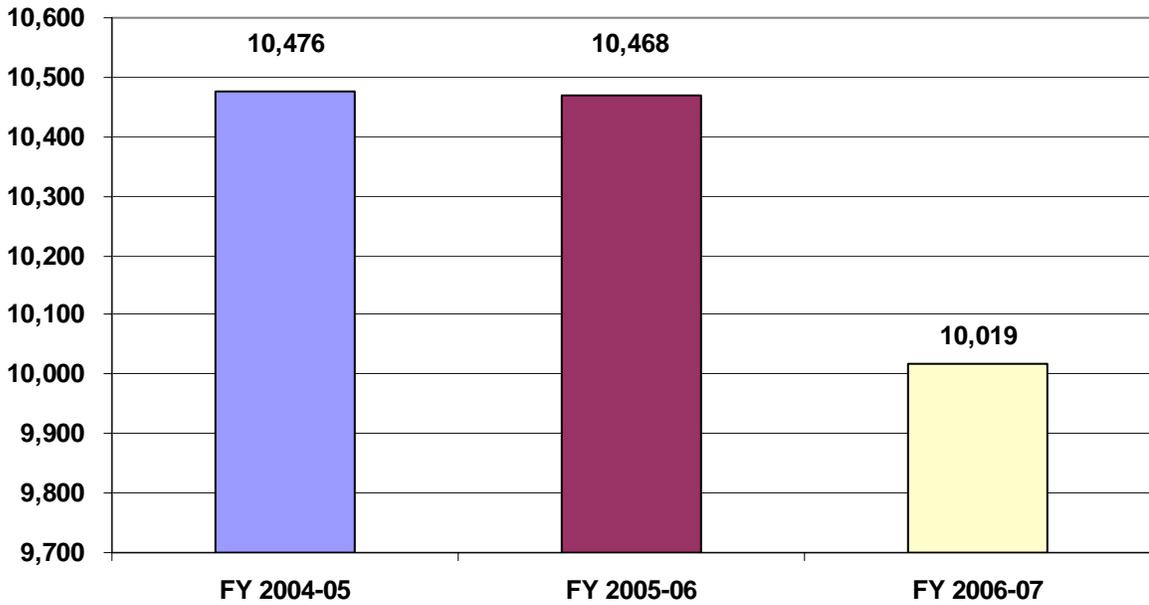
**County of Los Angeles Percentage of Workers' Compensation Cost Paid by Cluster  
FY 2006-07**



Notes:

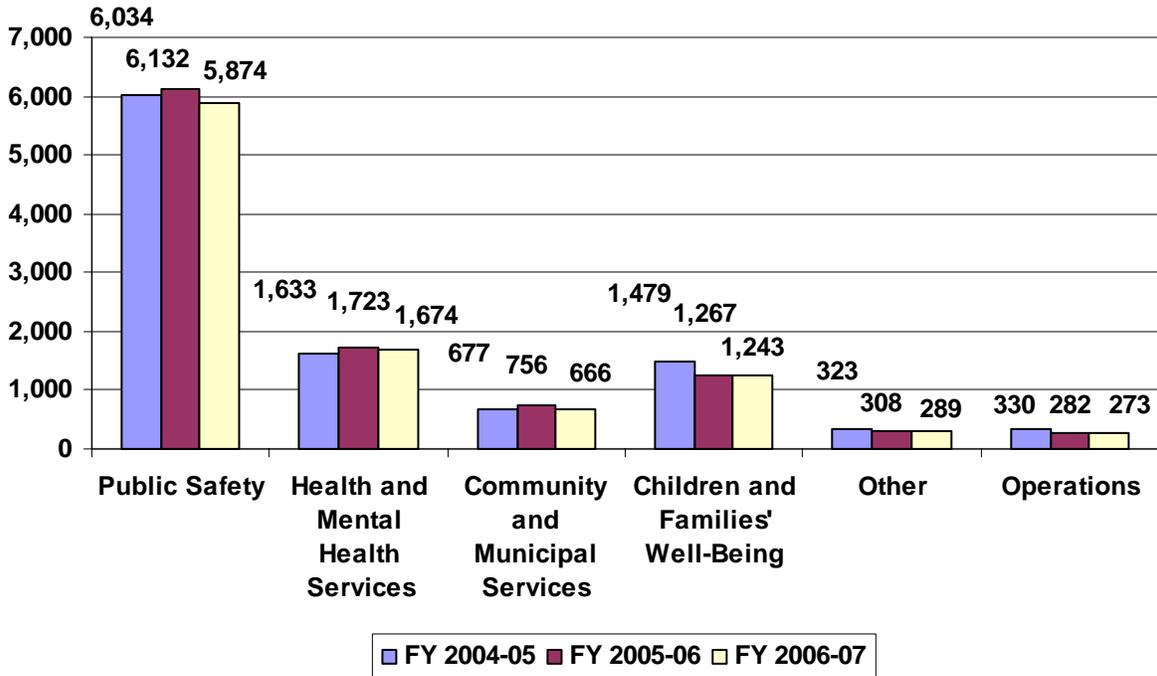
1. "Other" category includes claims coded to Chief Executive Office, LACERA, Non-Jurisdictional, Pending Assignment, and Superior Court.
2. See Exhibit I for a breakdown of departments by cluster.

County of Los Angeles Number of Workers' Compensation Claims  
FY 2004-05 through FY 2006-07



Workers' compensation claim frequency decreased 4% from FY 2005-06 to FY 2006-07.

County of Los Angeles Number of Workers' Compensation Claims by Cluster  
FY 2004-05 through FY 2006-07



Notes:

1. "Other" category includes claims coded to Chief Executive Office, LACERA, Non-Jurisdictional, Pending Assignment, and Superior Court.
2. See Exhibit I for a breakdown of departments by cluster.

## FY 2006-07 Risk Management Annual Report

Exhibit E: Fiscal year comparison of vehicle liability claims and cost

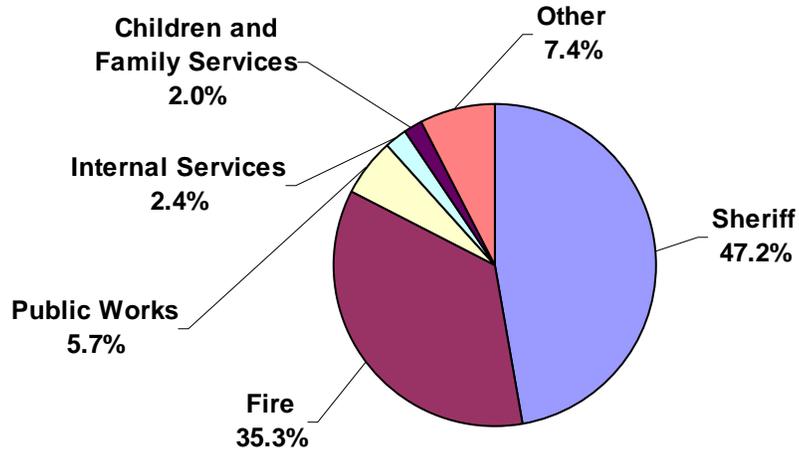
### County of Los Angeles Vehicle Liability Claim Count and Cost Summary FY 2004-05 through FY 2006-07

| Department                                     | FY 2004-05   |                                              | FY 2005-06   |                                              | FY 2006-07   |                                              |
|------------------------------------------------|--------------|----------------------------------------------|--------------|----------------------------------------------|--------------|----------------------------------------------|
|                                                | # New Claims | Amount Paid <sup>1,2,3</sup><br>(all claims) | # New Claims | Amount Paid <sup>1,2,3</sup><br>(all claims) | # New Claims | Amount Paid <sup>1,2,3</sup><br>(all claims) |
| Affirmative Action                             | 0            | \$0                                          | 0            | \$0                                          | 0            | \$0                                          |
| Agricultural Commissioner/Weights and Measures | 10           | \$53,761                                     | 12           | \$68,034                                     | 10           | \$35,040                                     |
| Alternate Public Defender                      | 1            | \$7,739                                      | 3            | \$11,077                                     | 0            | \$0                                          |
| Animal Care and Control                        | 3            | \$673,708                                    | 2            | \$12,643                                     | 3            | \$1,031                                      |
| Assessor                                       | 4            | \$13,075                                     | 3            | \$15,127                                     | 2            | \$1,653                                      |
| Auditor-Controller                             | 2            | \$10,602                                     | 2            | \$13,454                                     | 1            | \$7,685                                      |
| Beaches and Harbors                            | 4            | \$799                                        | 6            | \$5,154                                      | 1            | \$4,604                                      |
| Board of Supervisors                           | 5            | \$9,315                                      | 5            | \$199                                        | 7            | \$10,886                                     |
| Chief Executive Officer                        | 2            | \$435                                        | 0            | \$0                                          | 4            | \$831                                        |
| Chief Information Officer                      | 0            | \$0                                          | 0            | \$0                                          | 0            | \$0                                          |
| Child Support Services                         | 2            | \$2,712                                      | 0            | \$140                                        | 1            | \$413                                        |
| Children and Family Services                   | 55           | \$159,555                                    | 48           | \$137,681                                    | 46           | \$204,072                                    |
| Community and Senior Services                  | 4            | \$10,714                                     | 0            | \$0                                          | 1            | \$3,094                                      |
| Consumer Affairs                               | 0            | \$0                                          | 0            | \$0                                          | 0            | \$0                                          |
| Coroner                                        | 4            | \$8,609                                      | 1            | \$115                                        | 15           | \$2,253                                      |
| County Counsel                                 | 2            | \$309                                        | 0            | \$17                                         | 0            | \$0                                          |
| District Attorney                              | 10           | \$49,524                                     | 3            | \$40,042                                     | 10           | \$112,071                                    |
| Fire                                           | 116          | \$1,182,343                                  | 107          | \$1,132,032                                  | 127          | \$3,556,897                                  |
| Health Services                                | 25           | \$37,755                                     | 19           | \$19,582                                     | 14           | \$78,277                                     |
| Human Relations Commission                     | 0            | \$0                                          | 0            | \$0                                          | 0            | \$0                                          |
| Human Resources                                | 0            | \$0                                          | 0            | \$0                                          | 2            | \$1,203                                      |
| Internal Services                              | 54           | \$248,334                                    | 29           | \$316,999                                    | 19           | \$240,769                                    |
| LACERA                                         | 0            | \$0                                          | 0            | \$0                                          | 0            | \$0                                          |
| Mental Health                                  | 28           | \$90,750                                     | 13           | \$130,386                                    | 12           | \$115,282                                    |
| Military and Veterans Affairs                  | 0            | \$0                                          | 0            | \$0                                          | 0            | \$0                                          |
| Museum of Art                                  | 0            | \$0                                          | 0            | \$0                                          | 0            | \$0                                          |
| Museum of Natural History                      | 0            | \$0                                          | 0            | \$0                                          | 1            | \$0                                          |
| Non-Jurisdictional                             | 73           | \$6,898                                      | 74           | \$6,611                                      | 55           | \$27,200                                     |
| Office of Public Safety                        | 0            | \$129,283                                    | 8            | \$14,817                                     | 14           | \$9,216                                      |
| Ombudsman                                      | 0            | \$0                                          | 0            | \$0                                          | 0            | \$0                                          |
| Parks and Recreation                           | 22           | \$795,221                                    | 30           | \$68,888                                     | 31           | \$81,054                                     |
| Pending Assignment                             | 1            | \$35                                         | 10           | \$1,580                                      | 8            | \$6,383                                      |
| Probation                                      | 16           | \$78,548                                     | 11           | \$34,717                                     | 14           | \$32,458                                     |
| Public Defender                                | 4            | \$15,008                                     | 3            | \$58,007                                     | 5            | \$30,439                                     |
| Public Health                                  | 12           | \$82,217                                     | 14           | \$190,455                                    | 19           | \$81,927                                     |
| Public Library                                 | 10           | \$7,076                                      | 2            | \$32,221                                     | 2            | \$8,273                                      |
| Public Social Services                         | 7            | \$151,000                                    | 13           | \$88,448                                     | 10           | \$63,328                                     |
| Public Works                                   | 151          | \$417,455                                    | 112          | \$404,117                                    | 104          | \$577,178                                    |
| Regional Planning                              | 0            | \$0                                          | 0            | \$0                                          | 0            | \$0                                          |
| Registrar-Recorder/County Clerk                | 10           | \$16,998                                     | 1            | \$8,520                                      | 3            | \$27,464                                     |
| Sheriff                                        | 314          | \$3,624,655                                  | 299          | \$3,931,167                                  | 330          | \$4,749,871                                  |
| Superior Court                                 | 0            | \$0                                          | 0            | \$0                                          | 0            | \$0                                          |
| Treasurer and Tax Collector                    | 0            | \$0                                          | 0            | \$0                                          | 0            | \$0                                          |
| <b>Total<sup>4</sup></b>                       | <b>947</b>   | <b>\$7,884,433</b>                           | <b>830</b>   | <b>\$6,742,230</b>                           | <b>870</b>   | <b>\$10,070,852</b>                          |

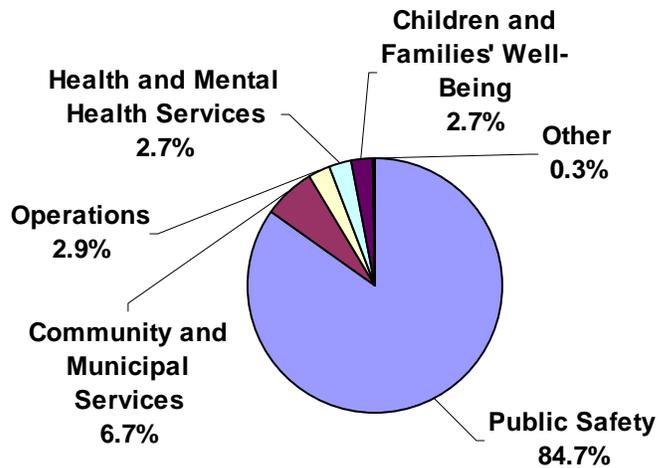
Notes:

1. Amount Paid is the total of the transactions paid for vehicle liability claims and lawsuits in the fiscal year; amount includes indemnity, legal fees and expenses, regardless of date of occurrence. Does not include RBNP or IBNR reserves.
2. Above information includes pending and non-jurisdictional departments, but does not include associated agencies that are not County departments, i.e. MTA, Foothill Transit, etc. This information includes County Counsel tort files.
3. Amounts do not include non-insured and non-third party vehicle losses which are directly paid by the departments. Amounts valued as of June 30, 2007.
4. The total number of claims does not add up to the sum of claims by department since some claims are allocated to multiple departments; count includes all suffixes.

County of Los Angeles Percentage of Vehicle Liability Cost Paid by Department  
FY 2006-07



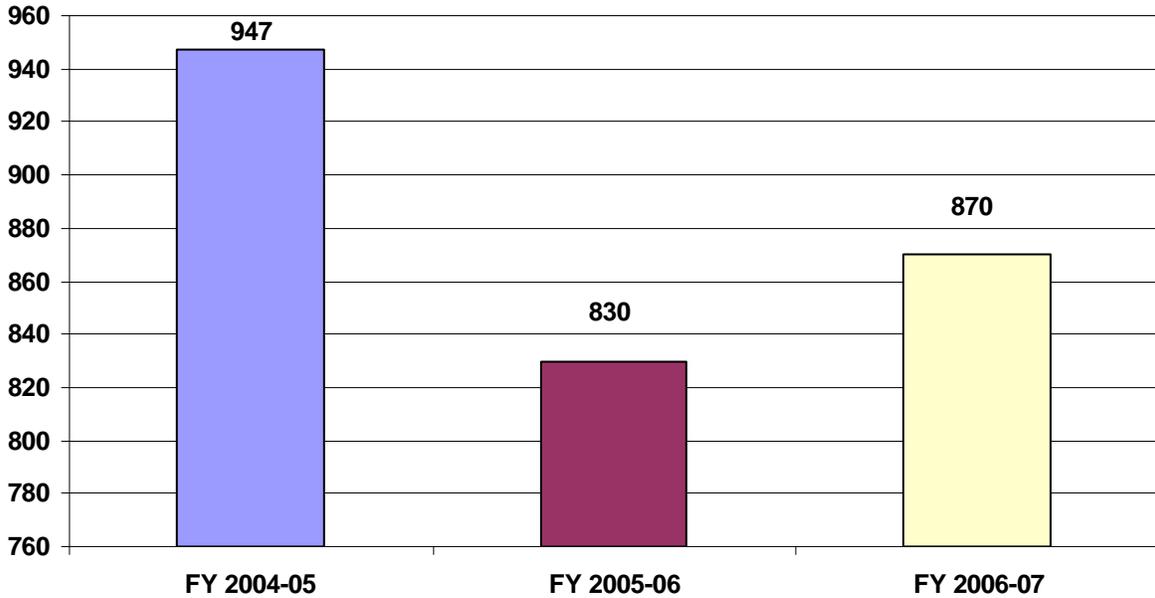
County of Los Angeles Percentage of Vehicle Liability Cost Paid by Cluster  
FY 2006-07



Notes:

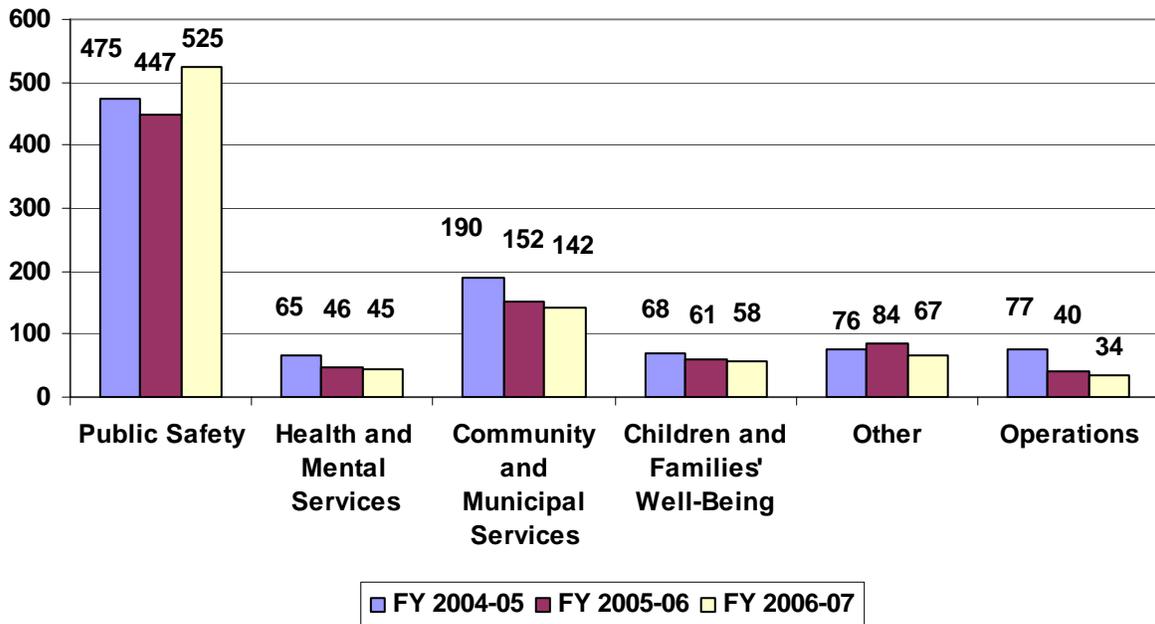
1. "Other" category includes claims coded to Chief Executive Office, LACERA, Non-Jurisdictional, Pending Assignment, and Superior Court.
2. See Exhibit I for a breakdown of departments by cluster.

**County of Los Angeles Number of Vehicle Liability Claims  
FY 2004-05 through FY 2006-07**



Vehicle liability claim frequency increased slightly last year, but frequency still remains below the frequency in FY 2004-05. Much of the reduction in FY 2006-07 occurred in Internal Services Department and Department of Public Works.

**County of Los Angeles Number of Vehicle Liability Claims by Cluster  
FY 2004-05 through FY 2006-07**



Notes:

1. The total number of claims by cluster does not add up to the sum of claims since some claims are allocated to multiple clusters; count includes all suffixes.
2. See Exhibit I for a breakdown of departments by cluster.

## FY 2006-07 Risk Management Annual Report

Exhibit F: Fiscal year comparison of general liability claims and cost

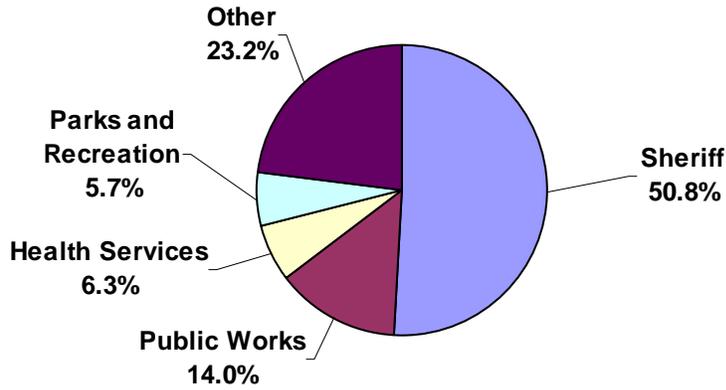
### County of Los Angeles General Liability Claim Count and Cost Summary FY 2004-05 through FY 2006-07

| Department                                     | FY 2004-05   |                                              | FY 2005-06   |                                              | FY 2006-07   |                                              |
|------------------------------------------------|--------------|----------------------------------------------|--------------|----------------------------------------------|--------------|----------------------------------------------|
|                                                | # New Claims | Amount Paid <sup>1,2,3</sup><br>(all claims) | # New Claims | Amount Paid <sup>1,2,3</sup><br>(all claims) | # New Claims | Amount Paid <sup>1,2,3</sup><br>(all claims) |
| Affirmative Action                             | 0            | \$342                                        | 1            | \$316                                        | 0            | \$0                                          |
| Agricultural Commissioner/Weights and Measures | 32           | \$121,737                                    | 8            | \$5,333                                      | 8            | \$1,961                                      |
| Alternate Public Defender                      | 2            | \$179,574                                    | 3            | \$304,390                                    | 3            | \$854,722                                    |
| Animal Care and Control                        | 14           | \$42,924                                     | 7            | \$313,241                                    | 14           | \$166,363                                    |
| Assessor                                       | 5            | \$29,094                                     | 9            | \$88,394                                     | 5            | \$81,363                                     |
| Auditor-Controller                             | 61           | \$12,056                                     | 97           | \$44,822                                     | 16           | \$368,526                                    |
| Beaches and Harbors                            | 11           | \$50,278                                     | 18           | \$340,015                                    | 14           | \$118,177                                    |
| Board of Supervisors                           | 27           | \$330,097                                    | 13           | \$695,462                                    | 4            | \$414,813                                    |
| Chief Executive Officer                        | 3            | \$771,535                                    | 6            | \$1,002,398                                  | 8            | \$186,131                                    |
| Chief Information Officer                      | 0            | \$352                                        | 0            | \$0                                          | 0            | \$0                                          |
| Child Support Services                         | 40           | \$194,633                                    | 24           | \$189,228                                    | 16           | \$321,330                                    |
| Children and Family Services                   | 121          | \$2,261,037                                  | 101          | \$2,955,846                                  | 73           | \$1,882,094                                  |
| Community and Senior Services                  | 6            | \$332,928                                    | 3            | \$152,494                                    | 2            | \$156,093                                    |
| Consumer Affairs                               | 2            | \$19,259                                     | 0            | \$74                                         | 0            | \$0                                          |
| Coroner                                        | 11           | \$4,953                                      | 4            | \$49,301                                     | 14           | \$29,499                                     |
| County Counsel                                 | 5            | \$622,013                                    | 3            | \$302,531                                    | 4            | \$150,577                                    |
| District Attorney                              | 54           | \$1,143,156                                  | 82           | \$689,485                                    | 55           | \$608,867                                    |
| Fire                                           | 37           | \$603,317                                    | 31           | \$493,312                                    | 46           | \$593,776                                    |
| Health Services                                | 170          | \$2,760,271                                  | 175          | \$3,129,193                                  | 292          | \$3,303,030                                  |
| Human Relations Commission                     | 0            | \$0                                          | 1            | \$0                                          | 0            | \$0                                          |
| Human Resources                                | 2            | \$104,653                                    | 4            | \$819                                        | 2            | \$167                                        |
| Internal Services                              | 41           | \$346,543                                    | 25           | -\$3,303,517 <sup>5</sup>                    | 24           | \$93,362                                     |
| LACERA                                         | 0            | \$0                                          | 0            | \$0                                          | 0            | \$0                                          |
| Mental Health                                  | 17           | \$519,855                                    | 31           | \$985,753                                    | 29           | \$1,661,070                                  |
| Military and Veterans Affairs                  | 0            | \$0                                          | 0            | \$0                                          | 1            | \$0                                          |
| Museum of Art                                  | 3            | \$84                                         | 5            | \$596                                        | 4            | \$10,000                                     |
| Museum of Natural History                      | 3            | \$44,332                                     | 0            | \$4,248                                      | 0            | \$0                                          |
| Non-Jurisdictional                             | 265          | \$210,820                                    | 236          | \$141,708                                    | 268          | \$233,511                                    |
| Office of Public Safety                        | 13           | \$496,964                                    | 14           | \$369,415                                    | 5            | \$1,027,341                                  |
| Ombudsman                                      | 0            | \$0                                          | 0            | \$0                                          | 0            | \$0                                          |
| Parks and Recreation                           | 63           | \$330,869                                    | 66           | \$416,583                                    | 56           | \$2,988,443                                  |
| Pending Assignment                             | 3            | \$2,120                                      | 4            | \$1,552                                      | 7            | \$11,882                                     |
| Probation                                      | 32           | \$1,223,527                                  | 34           | \$1,535,527                                  | 53           | \$886,577                                    |
| Public Defender                                | 17           | \$639,888                                    | 15           | \$500,361                                    | 16           | \$167,778                                    |
| Public Health                                  | 4            | \$113,335                                    | 21           | \$891,011                                    | 15           | \$1,019,428                                  |
| Public Library                                 | 3            | \$392,973                                    | 4            | \$183,177                                    | 9            | \$10,043                                     |
| Public Social Services                         | 31           | \$265,297                                    | 23           | \$740,526                                    | 23           | \$844,992                                    |
| Public Works                                   | 794          | \$3,992,632                                  | 612          | \$6,962,971                                  | 575          | \$7,271,101                                  |
| Regional Planning                              | 0            | \$55,691                                     | 4            | \$384                                        | 5            | \$12,927                                     |
| Registrar-Recorder/County Clerk                | 11           | \$227,861                                    | 6            | \$362,065                                    | 26           | \$83,539                                     |
| Sheriff                                        | 1,105        | \$18,872,433                                 | 1,480        | \$23,803,726                                 | 1,463        | \$26,483,557                                 |
| Superior Court                                 | 0            | \$17,406                                     | 2            | \$19,337                                     | 2            | \$96                                         |
| Treasurer and Tax Collector                    | 15           | \$12,290                                     | 21           | \$118,568                                    | 18           | \$75,117                                     |
| <b>Total<sup>4</sup></b>                       | <b>2,953</b> | <b>\$37,349,129</b>                          | <b>3,101</b> | <b>\$44,490,645</b>                          | <b>2,956</b> | <b>\$52,118,253</b>                          |

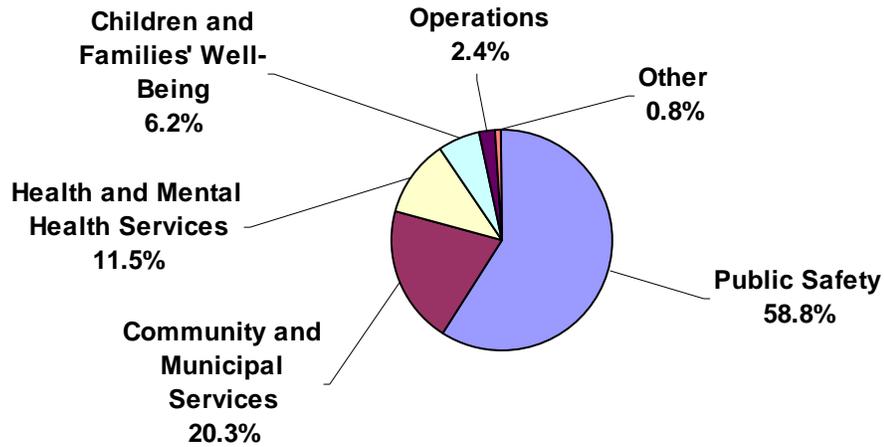
Notes:

1. Amount Paid is the total of the transactions paid for liability claims and lawsuits in the fiscal year; amount includes indemnity, legal fees and expenses, regardless of date of occurrence. Does not include RBNP or IBNR reserves.
2. Above information includes pending and non-jurisdictional departments, but does not include associated agencies that are not County departments, i.e. MTA, Foothill Transit, etc. This information includes County Counsel tort files.
3. Amounts valued as of June 30, 2007.
4. The total number of claims does not add up to the sum of claims by department since some claims are allocated to multiple departments; count includes all suffixes.
5. FY 2005-06 Amount Paid for Internal Services Department includes the recovery of \$3.9 million on one claim.

County of Los Angeles Percentage of General Liability Cost Paid by Department  
FY 2006-07



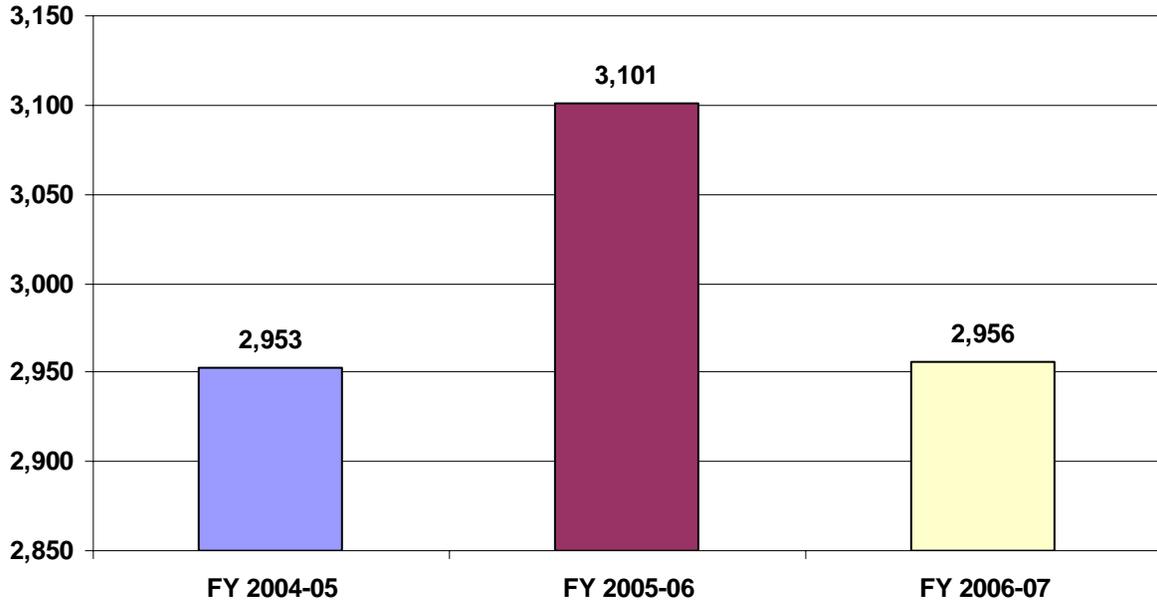
County of Los Angeles Percentage of General Liability Cost Paid by Cluster  
FY 2006-07



Notes:

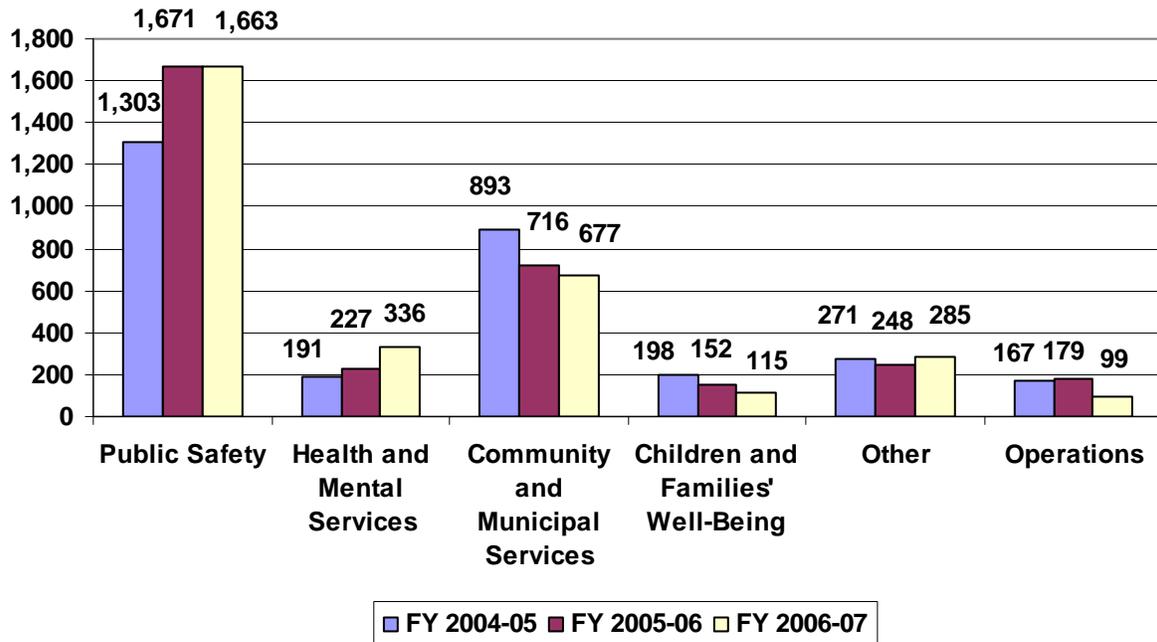
1. "Other" category includes claims coded to Chief Executive Office, LACERA, Non-Jurisdictional, Pending Assignment, and Superior Court.
2. See Exhibit I for a breakdown of departments by cluster.

County of Los Angeles Number of General Liability Claims  
FY 2004-05 through FY 2006-07



General liability claim frequency decreased in FY 2005-06 following an increase in the prior year. The frequency of general liability claims over the three years has been relatively stable.

County of Los Angeles Number of General Liability Claims by Cluster  
FY 2004-05 through FY 2006-07



Notes:

1. The total number of claims by cluster does not add up to the sum of claims since some claims are allocated to multiple clusters; count includes all suffixes.
2. See Exhibit I for a breakdown of departments by cluster.

Exhibit G: Fiscal year comparison of medical malpractice liability claims and cost

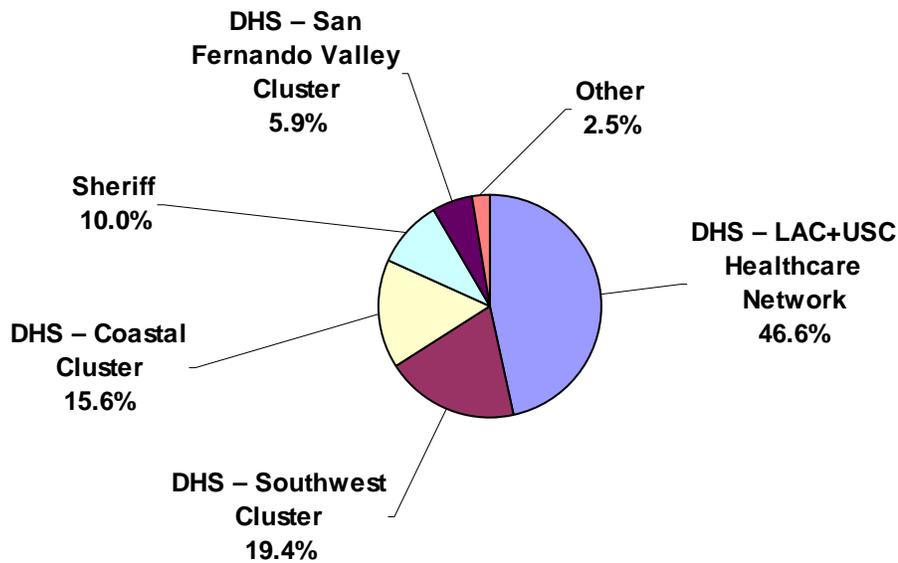
**County of Los Angeles Medical Malpractice Claim Count and Cost Summary  
FY 2004-05 through FY 2006-07**

| Department                        | FY 2004-05   |                                              | FY 2005-06   |                                              | FY 2006-07   |                                              |
|-----------------------------------|--------------|----------------------------------------------|--------------|----------------------------------------------|--------------|----------------------------------------------|
|                                   | # New Claims | Amount Paid <sup>1,2,3</sup><br>(all claims) | # New Claims | Amount Paid <sup>1,2,3</sup><br>(all claims) | # New Claims | Amount Paid <sup>1,2,3</sup><br>(all claims) |
| DHS – Antelope Valley Cluster     | 8            | \$299,708                                    | 6            | \$58,713                                     | 10           | \$84,112                                     |
| DHS – Coastal Cluster             | 87           | \$1,621,752                                  | 81           | \$3,593,728                                  | 32           | \$3,482,781                                  |
| DHS – LAC+USC Healthcare Network  | 143          | \$5,293,864                                  | 148          | \$5,169,659                                  | 75           | \$10,363,885                                 |
| DHS – Other <sup>4</sup>          | 3            | \$2,556,707                                  | 1            | \$3,674                                      | 9            | \$12                                         |
| DHS – Rancho Los Amigos           | 10           | \$65,126                                     | 9            | \$49,900                                     | 7            | \$67,274                                     |
| DHS – San Fernando Valley Cluster | 43           | \$1,232,187                                  | 32           | \$2,499,956                                  | 29           | \$1,309,533                                  |
| DHS – Southwest Cluster           | 93           | \$3,206,028                                  | 45           | \$2,692,947                                  | 38           | \$4,326,580                                  |
| <b>Health Services Subtotal</b>   | <b>373</b>   | <b>\$14,275,372</b>                          | <b>307</b>   | <b>\$14,068,577</b>                          | <b>190</b>   | <b>\$19,634,177</b>                          |
| Children and Family Services      | 2            | \$117,331                                    | 5            | \$39,561                                     | 0            | \$25                                         |
| Coroner                           | 15           | \$24,377                                     | 24           | \$52,240                                     | 6            | \$212,809                                    |
| District Attorney                 | 2            | \$53                                         | 0            | \$10,261                                     | 0            | \$0                                          |
| Fire                              | 9            | \$205,979                                    | 5            | \$252,435                                    | 15           | \$46,918                                     |
| Mental Health                     | 11           | \$84,330                                     | 16           | \$60,420                                     | 23           | \$119,812                                    |
| Non-Jurisdictional                | 22           | \$1,207                                      | 15           | \$613                                        | 23           | \$579                                        |
| Office of Public Safety           | 0            | \$14,914                                     | 0            | \$0                                          | 2            | \$23                                         |
| Probation                         | 0            | \$139,947                                    | 0            | \$734                                        | 1            | \$1,589                                      |
| Public Health                     | 4            | \$107,262                                    | 0            | \$111,376                                    | 0            | \$25,754                                     |
| Public Social Services            | 0            | \$178                                        | 0            | \$0                                          | 0            | \$0                                          |
| Sheriff                           | 37           | \$1,210,095                                  | 86           | \$660,607                                    | 40           | \$2,228,249                                  |
| <b>Total<sup>5</sup></b>          | <b>442</b>   | <b>\$16,181,045</b>                          | <b>402</b>   | <b>\$15,256,824</b>                          | <b>276</b>   | <b>\$22,269,935</b>                          |

Notes:

1. Amount Paid is the total of the transactions paid for medical malpractice claims and lawsuits in the fiscal year; amount includes indemnity, legal fees and expenses, regardless of date of occurrence. Does not include RBNP or IBNR reserves.
2. Above information includes pending and non-jurisdictional departments, but does not include associated agencies that are not County departments, i.e. MTA, Foothill Transit, etc. This information includes County Counsel tort files.
3. Amounts valued as of June 30, 2007.
4. DHS – Other includes Emergency Medical Services Administration, Juvenile Court Health Services, Health Services-NOC.
5. The total number of claims does not add up to the sum of claims by department since some claims are allocated to multiple departments; count includes all suffixes.

County of Los Angeles Percentage of Medical Malpractice Cost Paid by Department  
FY 2006-07



Note:

1. "Other" category includes claims coded to Children and Family Services, Coroner, District Attorney, Fire, Mental Health, Non-Jurisdictional, Office of Public Safety, Probation, Public Health, and Public Social Services.

Medical malpractice claim frequency declined significantly from FY 2005-06 to FY 2006-07; amount paid increased by 46%.

County of Los Angeles Number of Medical Malpractice Claims  
FY 2004-05 through FY 2006-07

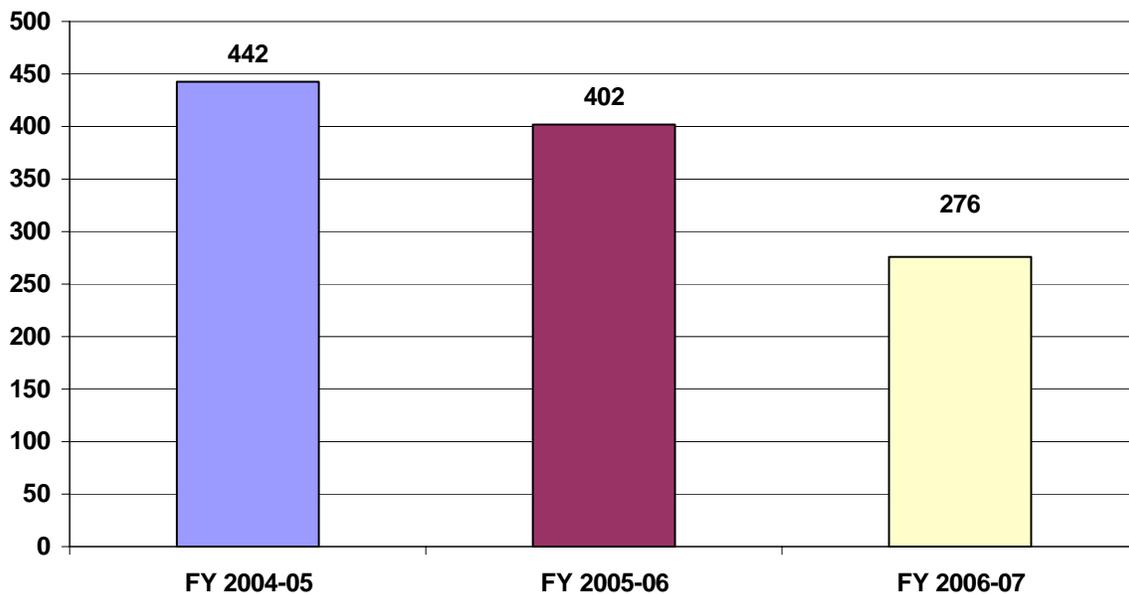


Exhibit H: Fiscal year comparison of State of California Labor Code 4850 and Salary Continuation cost

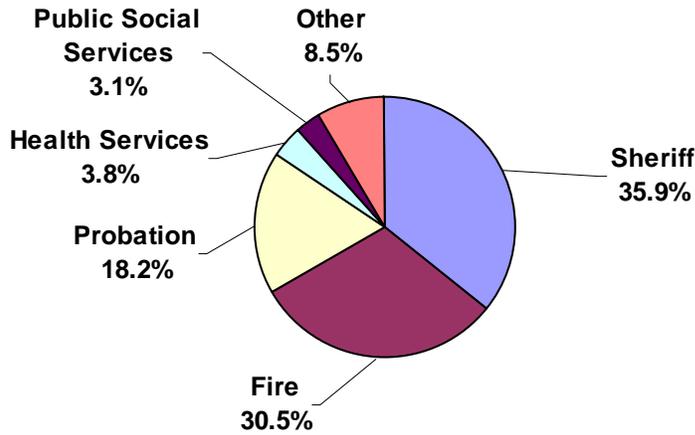
**County of Los Angeles Labor Code 4850 and Salary Continuation Cost Summary  
FY 2004-05 through FY 2006-07**

| Department                                     | FY 2004-05               | FY 2005-06               | FY 2006-07               |
|------------------------------------------------|--------------------------|--------------------------|--------------------------|
|                                                | Amount Paid <sup>1</sup> | Amount Paid <sup>1</sup> | Amount Paid <sup>1</sup> |
| Affirmative Action                             | \$20,904                 | \$0                      | \$7,920                  |
| Agricultural Commissioner/Weights and Measures | \$8,885                  | \$14,339                 | \$29,126                 |
| Alternate Public Defender                      | \$0                      | \$0                      | \$7,963                  |
| Animal Care and Control                        | \$150,826                | \$75,181                 | \$58,343                 |
| Assessor                                       | \$12,950                 | \$29,863                 | \$16,576                 |
| Auditor-Controller                             | \$39,303                 | \$28,629                 | \$16,326                 |
| Beaches and Harbors                            | \$44,702                 | \$28,237                 | \$25,821                 |
| Board of Supervisors                           | \$1,063                  | \$19,920                 | \$0                      |
| Chief Executive Officer                        | \$35,807                 | \$308                    | \$12,331                 |
| Chief Information Officer                      | \$4,449                  | \$0                      | \$0                      |
| Child Support Services                         | \$240,279                | \$116,722                | \$76,119                 |
| Children and Family Services                   | \$985,145                | \$463,539                | \$739,930                |
| Community and Senior Services                  | \$42,677                 | \$12,315                 | \$20,412                 |
| Consumer Affairs                               | \$3,574                  | \$0                      | \$23,568                 |
| Coroner                                        | \$52,696                 | \$32,823                 | \$52,058                 |
| County Counsel                                 | \$24,602                 | \$1,320                  | \$20,578                 |
| District Attorney                              | \$264,864                | \$275,915                | \$324,007                |
| Fire                                           | \$13,778,001             | \$13,245,018             | \$13,107,930             |
| Health Services                                | \$2,029,489              | \$1,674,282              | \$1,635,262              |
| Human Relations Commission                     | \$0                      | \$0                      | \$0                      |
| Human Resources                                | \$4,730                  | \$1,800                  | \$1,320                  |
| Internal Services                              | \$253,835                | \$213,360                | \$261,844                |
| LACERA                                         | \$55,861                 | \$912                    | \$12,356                 |
| Mental Health                                  | \$248,707                | \$159,242                | \$98,439                 |
| Military and Veterans Affairs                  | \$0                      | \$28,609                 | \$12,639                 |
| Museum of Art                                  | \$0                      | \$235                    | \$0                      |
| Museum of Natural History                      | \$0                      | \$0                      | \$0                      |
| Non-Jurisdictional                             | \$0                      | \$0                      | \$0                      |
| Office of Public Safety                        | \$471,533                | \$464,251                | \$276,648                |
| Ombudsman                                      | \$0                      | \$0                      | \$0                      |
| Parks and Recreation                           | \$72,689                 | \$119,000                | \$222,610                |
| Pending Assignment                             | \$0                      | \$0                      | \$0                      |
| Probation                                      | \$7,881,240              | \$6,543,651              | \$7,809,314              |
| Public Defender                                | \$63,986                 | \$57,781                 | \$52,006                 |
| Public Health                                  | \$403,245                | \$316,261                | \$299,835                |
| Public Library                                 | \$33,884                 | \$44,125                 | \$35,219                 |
| Public Social Services                         | \$1,563,735              | \$1,522,220              | \$1,329,588              |
| Public Works                                   | \$503,909                | \$542,082                | \$319,643                |
| Regional Planning                              | \$0                      | \$643                    | \$0                      |
| Registrar-Recorder/County Clerk                | \$46,396                 | \$17,408                 | \$53,926                 |
| Sheriff                                        | \$19,100,009             | \$15,320,053             | \$15,457,230             |
| Superior Court                                 | \$941,069                | \$863,158                | \$577,052                |
| Treasurer and Tax Collector                    | \$9,249                  | \$23,717                 | \$13,890                 |
| <b>Total</b>                                   | <b>\$49,394,293</b>      | <b>\$42,256,919</b>      | <b>\$43,007,829</b>      |

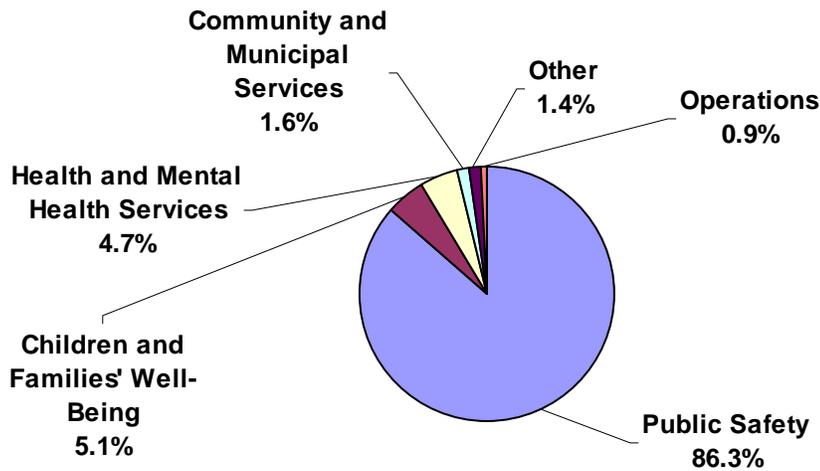
Note:

1. Amount Paid is as reported by the Auditor-Controller based on the sum of 70% IA, 100% IA, and MegalA expense.

County of Los Angeles Labor Code 4850 and Salary Continuation  
Cost Summary by Department  
FY 2006-07



County of Los Angeles Labor Code 4850 and Salary Continuation  
Cost Summary by Cluster  
FY 2006-07



Notes:

1. "Other" category includes claims coded to Chief Executive Office, LACERA, Non-Jurisdictional, Pending Assignment, and Superior Court.
2. See Exhibit I for a breakdown of departments by cluster.

Exhibit I: Cluster – department list

**Cluster – Department List**

| <b>Cluster Name</b>               | <b>Department Name</b>          |                                                |
|-----------------------------------|---------------------------------|------------------------------------------------|
| Children and Families' Well-Being | Child Support Services          |                                                |
|                                   | Children and Family Services    |                                                |
|                                   | Community and Senior Services   |                                                |
|                                   | Human Relations Commission      |                                                |
|                                   | Military and Veterans Affairs   |                                                |
|                                   | Public Social Services          |                                                |
| Community and Municipal Services  | Animal Care and Control         |                                                |
|                                   | Beaches and Harbors             |                                                |
|                                   | Consumer Affairs                |                                                |
|                                   | Museum of Art                   |                                                |
|                                   | Museum of Natural History       |                                                |
|                                   | Parks and Recreation            |                                                |
|                                   | Public Library                  |                                                |
|                                   | Public Works                    |                                                |
|                                   | Regional Planning               |                                                |
| Health and Mental Health Services | Health Services                 |                                                |
|                                   | Mental Health                   |                                                |
|                                   | Public Health                   |                                                |
| Operations                        | Affirmative Action              |                                                |
|                                   | Assessor                        |                                                |
|                                   | Auditor-Controller              |                                                |
|                                   | Board of Supervisors            |                                                |
|                                   | Chief Information Officer       |                                                |
|                                   | County Counsel                  |                                                |
|                                   | Human Resources                 |                                                |
|                                   | Internal Services               |                                                |
|                                   | Registrar-Recorder/County Clerk |                                                |
|                                   | Treasurer and Tax Collector     |                                                |
|                                   | Public Safety                   | Agricultural Commissioner/Weights and Measures |
|                                   |                                 | Alternate Public Defender                      |
| Coroner                           |                                 |                                                |
| District Attorney                 |                                 |                                                |
| Fire                              |                                 |                                                |
| Office of Public Safety           |                                 |                                                |
| Ombudsman                         |                                 |                                                |
| Probation                         |                                 |                                                |
| Public Defender                   |                                 |                                                |
| Other                             | Sheriff                         |                                                |
|                                   | Chief Executive Officer         |                                                |
|                                   | LACERA                          |                                                |
|                                   | Non-Jurisdictional              |                                                |
|                                   | Pending Assignment              |                                                |
|                                   | Superior Court                  |                                                |



Exhibit J: Fiscal year comparison of total cost paid, regardless of date of occurrence

**County of Los Angeles Total Cost Paid – All Claims  
FY 2004-05 through FY 2007-08**

| <b>Fiscal Year</b>         | <b>Vehicle Liability</b> | <b>General Liability</b> | <b>Medical Malpractice</b> | <b>Workers' Compensation</b> | <b>Labor Code 4850 and Salary Continuation</b> | <b>Grand Total</b> |
|----------------------------|--------------------------|--------------------------|----------------------------|------------------------------|------------------------------------------------|--------------------|
| FY 2004-05                 | \$7,884,433              | \$37,349,129             | \$16,181,045               | \$272,735,278                | \$49,394,293                                   | \$383,544,178      |
| FY 2005-06                 | \$6,742,230              | \$44,490,645             | \$15,256,824               | \$263,053,690                | \$42,256,919                                   | \$371,800,308      |
| FY 2006-07                 | \$10,070,852             | \$52,118,253             | \$22,269,935               | \$279,991,751                | \$43,007,829                                   | \$407,458,620      |
| FY 2007-08<br>(six months) | \$8,174,460              | \$27,253,538             | \$12,854,800               | \$136,111,091                | \$21,664,677                                   | \$206,058,566      |

Notes:

1. Data do not include unemployment costs.
2. Data include pending and non-jurisdictional departments, but do not include associated agencies that are not County departments, i.e. MTA, Foothill Transit, etc. This information includes County Counsel tort claims.
3. Amount Paid is the total of the transactions paid by coverage code in the fiscal year; amount includes indemnity, legal fees and expenses, regardless of occurrence date; does not include RBNP or IBNR reserves.
4. Workers' compensation paid does not reflect State of California Labor Code 4850 or salary continuation payments.

Exhibit K: Fiscal year comparison of total number of claims filed by type

**County of Los Angeles Total Number of Claims Filed by Claim Type  
FY 2004-05 through FY 2006-07**

| <b>Claim Type<sup>1,2</sup></b> | <b>FY 2004-05</b> | <b>FY 2005-06</b> | <b>FY 2006-07</b> | <b>FY 2007-08<br/>(six months)</b> |
|---------------------------------|-------------------|-------------------|-------------------|------------------------------------|
| Vehicle Liability               | 947               | 830               | 870               | 443                                |
| General Liability               | 2,953             | 3,101             | 2,956             | 1,903                              |
| Medical Malpractice             | 442               | 402               | 276               | 144                                |
| Workers' Compensation           | 10,476            | 10,468            | 10,019            | 5,385                              |
| <b>Grand Total</b>              | <b>14,818</b>     | <b>14,801</b>     | <b>14,121</b>     | <b>7,875</b>                       |

Notes:

1. Total number of claims filed by fiscal year regardless of date of occurrence; count includes all suffixes.
2. Includes County Counsel tort claims, but not agencies that are not County departments, i.e. MTA, Foothill Transit, etc.

## FY 2006-07 Risk Management Annual Report

Exhibit L: Workers' compensation claim count and cost summary and State of California Labor Code 4850 and salary continuation cost summary, July 1, 2007 through December 31, 2007

| Department                                     | Labor Code 4850 /<br>Salary Continuation     | Workers' Compensation |                                              |
|------------------------------------------------|----------------------------------------------|-----------------------|----------------------------------------------|
|                                                | Amount Paid <sup>1,2,3</sup><br>(all claims) | # New<br>Claims       | Amount Paid <sup>1,2,3</sup><br>(all claims) |
| Affirmative Action                             | \$0                                          | 0                     | \$11,585                                     |
| Agricultural Commissioner/Weights and Measures | \$4,442                                      | 12                    | \$376,779                                    |
| Alternate Public Defender                      | \$0                                          | 2                     | \$39,204                                     |
| Animal Care and Control                        | \$37,527                                     | 69                    | \$302,974                                    |
| Assessor                                       | \$568                                        | 17                    | \$678,868                                    |
| Auditor-Controller                             | \$3,120                                      | 5                     | \$195,723                                    |
| Beaches and Harbors                            | \$4,337                                      | 10                    | \$218,991                                    |
| Board of Supervisors                           | \$0                                          | 10                    | \$112,398                                    |
| Chief Executive Officer                        | \$16,173                                     | 4                     | \$203,545                                    |
| Chief Information Officer                      | \$0                                          | 0                     | \$2,062                                      |
| Child Support Services                         | \$75,478                                     | 42                    | \$1,485,967                                  |
| Children and Family Services                   | \$322,136                                    | 170                   | \$7,007,782                                  |
| Community and Senior Services                  | \$36,925                                     | 7                     | \$320,918                                    |
| Consumer Affairs                               | \$3,532                                      | 1                     | \$16,189                                     |
| Coroner                                        | \$31,546                                     | 20                    | \$339,224                                    |
| County Counsel                                 | \$906                                        | 5                     | \$233,586                                    |
| District Attorney                              | \$106,326                                    | 46                    | \$2,422,262                                  |
| Fire                                           | \$7,421,001                                  | 722                   | \$16,357,323                                 |
| Health Services                                | \$757,961                                    | 684                   | \$20,706,707                                 |
| Human Relations Commission                     | \$882                                        | 3                     | \$792                                        |
| Human Resources                                | \$0                                          | 0                     | \$126,357                                    |
| Internal Services                              | \$89,220                                     | 67                    | \$2,531,303                                  |
| LACERA                                         | \$0                                          | 4                     | \$156,349                                    |
| Mental Health                                  | \$65,429                                     | 70                    | \$1,848,820                                  |
| Military and Veterans Affairs                  | \$0                                          | 1                     | \$25,846                                     |
| Museum of Art                                  | \$8,634                                      | 1                     | \$69,535                                     |
| Museum of Natural History                      | \$0                                          | 2                     | \$55,049                                     |
| Non-Jurisdictional                             | \$0                                          | 4                     | \$0                                          |
| Office of Public Safety                        | \$255,479                                    | 20                    | \$1,523,349                                  |
| Ombudsman                                      | \$0                                          | 0                     | \$0                                          |
| Parks and Recreation                           | \$62,083                                     | 110                   | \$1,470,763                                  |
| Pending Assignment                             | \$0                                          | 29                    | \$0                                          |
| Probation                                      | \$3,739,336                                  | 411                   | \$9,217,175                                  |
| Public Defender                                | \$73,172                                     | 24                    | \$468,273                                    |
| Public Health                                  | \$160,095                                    | 104                   | \$3,142,525                                  |
| Public Library                                 | \$19,519                                     | 12                    | \$458,914                                    |
| Public Social Services                         | \$723,154                                    | 407                   | \$14,290,565                                 |
| Public Works                                   | \$132,285                                    | 138                   | \$2,615,142                                  |
| Regional Planning                              | \$0                                          | 3                     | \$24,426                                     |
| Registrar-Recorder/County Clerk                | \$39,014                                     | 25                    | \$504,523                                    |
| Sheriff                                        | \$7,114,656                                  | 1,980                 | \$41,883,792                                 |
| Superior Court                                 | \$335,057                                    | 134                   | \$4,356,011                                  |
| Treasurer and Tax Collector                    | \$24,684                                     | 10                    | \$309,495                                    |
| <b>Total<sup>4</sup></b>                       | <b>\$21,664,677</b>                          | <b>5,385</b>          | <b>\$136,111,091</b>                         |

Notes:

1. Amount Paid is the total of the transactions paid by coverage code in the fiscal year regardless of occurrence date plus amounts paid for workers' compensation from the WCTF report. Amount Paid includes indemnity, legal fees and expenses. Does not include RBNP or IBNR reserves. Workers' compensation paid does not reflect State of California Labor Code 4850 or salary continuation payments. Data do not include unemployment costs.
2. Above information includes pending and non-jurisdictional departments, but does not include associated agencies that are not County departments, i.e. MTA, Foothill Transit, etc. This information does include County Counsel tort files. County Counsel expenditures are included.
3. Amounts valued as of December 31, 2007.
4. The total number of claims does not add up to the sum of claims by department since some claims are allocated to multiple departments; count includes all suffixes.

Exhibit M: Vehicle and general liability claim count and cost summary

**County of Los Angeles Vehicle and General Liability Claim Count and Cost Summary  
July 1, 2007 through December 31, 2007**

| Department                                     | Vehicle Liability |                                              | General Liability |                                              |
|------------------------------------------------|-------------------|----------------------------------------------|-------------------|----------------------------------------------|
|                                                | # New Claims      | Amount Paid <sup>1,2,3</sup><br>(all claims) | # New Claims      | Amount Paid <sup>1,2,3</sup><br>(all claims) |
| Affirmative Action                             | 0                 | \$0                                          | 0                 | \$0                                          |
| Agricultural Commissioner/Weights and Measures | 1                 | \$457,454                                    | 4                 | \$2,740                                      |
| Alternate Public Defender                      | 0                 | \$0                                          | 3                 | \$210,493                                    |
| Animal Care and Control                        | 4                 | \$2,379                                      | 15                | \$166,955                                    |
| Assessor                                       | 0                 | \$1,837                                      | 7                 | \$105,394                                    |
| Auditor-Controller                             | 0                 | \$0                                          | 12                | \$47,589                                     |
| Beaches and Harbors                            | 4                 | \$17,738                                     | 14                | \$25,508                                     |
| Board of Supervisors                           | 3                 | \$29,502                                     | 6                 | \$167,841                                    |
| Chief Executive Officer                        | 0                 | \$0                                          | 5                 | \$107,198                                    |
| Chief Information Officer                      | 0                 | \$0                                          | 0                 | \$0                                          |
| Child Support Services                         | 3                 | \$95                                         | 9                 | \$72,188                                     |
| Children and Family Services                   | 28                | \$56,924                                     | 62                | \$1,755,329                                  |
| Community and Senior Services                  | 0                 | \$0                                          | 0                 | \$126,505                                    |
| Consumer Affairs                               | 2                 | \$3,201                                      | 0                 | \$0                                          |
| Coroner                                        | 3                 | \$19,075                                     | 21                | \$1,958                                      |
| County Counsel                                 | 3                 | \$0                                          | 2                 | \$51,830                                     |
| District Attorney                              | 17                | \$21,320                                     | 29                | \$352,092                                    |
| Fire                                           | 34                | \$518,404                                    | 15                | \$467,561                                    |
| Health Services                                | 1                 | \$16,082                                     | 193               | \$1,930,375                                  |
| Human Relations Commission                     | 0                 | \$0                                          | 0                 | \$0                                          |
| Human Resources                                | 0                 | \$0                                          | 0                 | \$682                                        |
| Internal Services                              | 5                 | \$34,558                                     | 23                | \$111,599                                    |
| LACERA                                         | 0                 | \$0                                          | 1                 | \$0                                          |
| Mental Health                                  | 11                | \$96,572                                     | 12                | \$935,596                                    |
| Military and Veterans Affairs                  | 0                 | \$0                                          | 0                 | \$0                                          |
| Museum of Art                                  | 0                 | \$0                                          | 2                 | \$274                                        |
| Museum of Natural History                      | 0                 | \$0                                          | 2                 | \$0                                          |
| Non-Jurisdictional                             | 29                | \$3,601                                      | 162               | \$385,963                                    |
| Office of Public Safety                        | 8                 | \$40,886                                     | 8                 | \$326,921                                    |
| Ombudsman                                      | 0                 | \$0                                          | 0                 | \$0                                          |
| Parks and Recreation                           | 6                 | \$2,995                                      | 34                | \$75,280                                     |
| Pending Assignment                             | 9                 | \$2,793                                      | 2                 | \$218                                        |
| Probation                                      | 9                 | \$27,181                                     | 38                | \$828,808                                    |
| Public Defender                                | 1                 | \$948                                        | 7                 | \$35,440                                     |
| Public Health                                  | 8                 | \$17,501                                     | 6                 | \$727,779                                    |
| Public Library                                 | 0                 | \$135                                        | 7                 | \$9,704                                      |
| Public Social Services                         | 16                | \$26,474                                     | 19                | \$45,910                                     |
| Public Works                                   | 56                | \$98,823                                     | 287               | \$5,312,857                                  |
| Regional Planning                              | 0                 | \$0                                          | 4                 | \$43,026                                     |
| Registrar-Recorder/County Clerk                | 1                 | \$12,933                                     | 19                | \$307,279                                    |
| Sheriff                                        | 182               | \$6,665,049                                  | 1,010             | \$12,441,679                                 |
| Superior Court                                 | 0                 | \$0                                          | 0                 | \$0                                          |
| Treasurer and Tax Collector                    | 0                 | \$0                                          | 37                | \$72,967                                     |
| <b>Total<sup>4</sup></b>                       | <b>443</b>        | <b>\$8,174,460</b>                           | <b>1,903</b>      | <b>\$27,253,538</b>                          |

Notes:

1. Amount Paid is the total of the transactions paid by coverage code in the fiscal year regardless of occurrence date plus amounts paid for workers' compensation from the WCTF report. Amount Paid includes indemnity, legal fees and expenses. Does not include RBNP or IBNR reserves. Workers' compensation paid does not reflect State of California Labor Code 4850 or salary continuation payments. Data do not include unemployment costs.
2. Above information includes pending and non-jurisdictional departments, but does not include associated agencies that are not County departments, i.e. MTA, Foothill Transit, etc. This information does include County Counsel tort files. County Counsel expenditures are included.
3. Amounts valued as of December 31, 2007.
4. The total number of claims does not add up to the sum of claims by department since some claims are allocated to multiple departments; count includes all suffixes.

Exhibit N: Medical malpractice claim count and cost summary

**County of Los Angeles Medical Malpractice Claim Count and Cost Summary  
July 1, 2007 through December 31, 2007**

| Department                        | Medical Malpractice |                                           |
|-----------------------------------|---------------------|-------------------------------------------|
|                                   | # New Claims        | Amount Paid <sup>1,2,3</sup> (all claims) |
| DHS – Antelope Valley Cluster     | 3                   | \$9,309                                   |
| DHS – Coastal Cluster             | 34                  | \$3,374,681                               |
| DHS – LAC+USC Healthcare Network  | 40                  | \$7,690,895                               |
| DHS – Other <sup>4</sup>          | 2                   | \$30,913                                  |
| DHS – Rancho Los Amigos           | 6                   | \$2,289                                   |
| DHS – San Fernando Valley Cluster | 18                  | \$242,945                                 |
| DHS – Southwest Cluster           | 15                  | \$986,166                                 |
| <b>Health Services Subtotal</b>   | <b>118</b>          | <b>\$12,337,198</b>                       |
| Coroner                           | 8                   | \$114,054                                 |
| Fire                              | 2                   | \$52,890                                  |
| Mental Health                     | 7                   | \$51,796                                  |
| Office of Public Safety           | 1                   | \$39,575                                  |
| Probation                         | 0                   | \$1,224                                   |
| Public Health                     | 3                   | \$9,115                                   |
| Sheriff                           | 17                  | \$248,948                                 |
| <b>Total<sup>5</sup></b>          | <b>144</b>          | <b>\$12,854,800</b>                       |

Notes:

1. Amount Paid is the total of the transactions paid for medical malpractice claims and lawsuits in the fiscal year; amount includes indemnity, legal fees and expenses, regardless of date of occurrence. Does not include RBNP or IBNR reserves.
2. Above information includes pending and non-jurisdictional departments, but does not include associated agencies that are not County departments, i.e. MTA, Foothill Transit, etc. This information includes County Counsel tort files.
3. Amounts valued as of December 31, 2007.
4. DHS – Other includes Emergency Medical Services Administration, Juvenile Court Health Services, Health Services-NOC.
5. The total number of claims does not add up to the sum of claims by department since some claims are allocated to multiple departments; count includes all suffixes.